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4 March 1985

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INDONESIA

MP PREDICTS GREATER POLITICAL FLAREUPS IN 1985

Jakarta SINAR HARAPAN in Indonesian 22 Dec 84 p 1

[Text] Jakarta, 22 December--Doctor Suhardiman, deputy chairman of the Political and Security Section of the Functional Development Faction in Parliament, has stated that the quality and intensity of political flareups in 1984 were greater than in 1983 and that it is expected that these flareups will be even greater in 1985.

Suwardiman, who made this statement to the press on 21 December in Jakarta, continued, saying that there is no way of dealing with this matter other than increasing our vigilance and developing a sense of community and concern. He declared: "There must be a sense of community and concern."

The heightened quality and intensity of political flareups in 1984 were closely connected with developments in the political area which are still accelerating at present. He said that this was because, in a situation like that the power of the community, both in Indonesia and abroad, which has political interests which differ from the direction of political development in Indonesia, will continue to try to defeat or at least obstruct Indonesian political development.

He added: "How their efforts unfolded in 1984 was proved when the government was still able to control them, so that stability was maintained."

In this connection Suwardiman declared that the ideological currents and political interests which are trying to prevent such political development include the remnants of the PKI [Indonesian Communist Party] and the remnants of Islamic fundamentalist groups. These elements do not have the form but have the function of pressure groups. Other groups seeking to prevent Indonesian political development include secularism, the post independence power syndrome, the New Left, and outside forces which have an interest in Indonesia because of its geopolitical position. Later, they will make use of the interests of Indonesian domestic political forces.

According to Doctor Suwardiman, five draft bills presented to Parliament this year must be looked at in light of the above. However, in his view the most difficult aspect will not come up when the laws are being debated. He added: "After they are passed into law, they will be more difficult to handle because they must be brought to the attention of the people."

In answer to a question Suhardiman said that to block the process of political development referred to above, the steps already taken by the previously mentioned forces include undertaking political guerrilla activity in the form of terrorism; the exploitation of particularist feelings on the basis of ethnic groups, religion, race, and mystic community groups [aliran]; and the use of intrigues and the creation of controversial issues. Suhardiman asked: "In fact, this was done at the time we were considering the elections law. Is this all they did?"

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INDONESIA

NU RETURN TO DECLARATION OF 1926 CLARIFIED

Jakarta KOMPAS in Indonesian 24 Dec 84 pp 1, 12

[Text] Jakarta, KOMPAS--The decision of the 27th Nahdatul Ulama [Muslim Scholars] National Congress to return to the NU Declaration of 1926 and the adoption of the Pancasila [Five Principles of the Nation] as the single founding principle of the NU was not due solely to the political situation in Indonesia at the present time. Rather, the decision was directed toward the basic essence of the organization in intensifying its work in the community and in a religious sense. This was stated by K. H. Ahmad Siddiq (58 years old), the general chairman of the Executive Committee of the Advisory Council of the NU, in answering a question from a KOMPAS representative at his residence in Jember [East Java] last week.

The same thing was also stated by H. Abdurrahman Wahid (43 years old), the chairman of the Executive Committee of the NU Executive Council at his residence in Jakarta. At the same time he rejected the view that the decision of the NU national congress was taken in an emotional atmosphere. He emphasized that the decision by the national congress was the product of long-term thinking undertaken before a problem emerged between the NU and the Development Unity Party [PPP]. That is, the National Congress affirmed the results of the National Conference of NU ulama [religious scholars] held at the Salafiyah Syafi'iyah Muslim School in Sukorejo (Situbondo Regency) in December 1983, the same place where the 27th National Congress was held.

A number of opinions held in groups outside the NU regarding the return to the NU Declaration of 1926, particularly those which tend to ridicule this action, are understandable, according to the two NU leaders, because the people in these groups have not yet thought the question through. The important thing is not finding fault with it, particularly if the decision is a matter of controversy with the Muhammadiyah movement. Abdurrahman Wahid said: "Thinking like that goes too far, because the NU has the slogan "Fastabiqul Gairat" (Editor--"compete for what is good").

The meaning of the NU Declaration of 1926 in the view of the national congress is that it is a basis for thought, for adopting attitudes, for actions taken by all members of the NU, in connection with all actions and activities by the organization, as well as in all decision making. This basis for thought can be derived by taking the essence of the basic objectives for the establishment of the NU, that is, as a form of respect which is exclusively based on an intention to

serve Almighty God. Kyai Ahmad Siddiq said: "Although actually applying the return to the NU Declaration of 1926 must still be tested in practice, I am optimistic that it will work out smoothly." The director of the A. S. Siddiqiyah Muslim school in Jember is known as the most advanced thinker in the NU who formulated the return to the NU Declaration of 1926 and the adoption of the Pancasila as the single founding principle of the NU.

Must Function

K. H. Ahmad Siddiq is aware that during the period 1984-89 there will be opinions expressed which oppose, criticize, and ridicule him, particularly after the NU adopted the Pancasila as the single founding principle of the organization. This is a concept which he advanced for the first time at the National Conference of NU Ulama at Situbondo in December 1983 and which later was adopted as a decision of the National Congress. He said: "I am ready to face such criticism, and not only from NU members but from other Muslim brothers who oppose and raise questions about this action. I have been ridiculed by *AI-JKHWAN*, published in Yogyakarta," Kyai Siddiq stated.

He declared that in any case the organization must function in accordance with the decisions of the national congress as a clear, operational process. This will involve a kind of "brain washing" of the members, and at least 5 years will be necessary for that. However, he is optimistic that all of this will be done well. Among other things, the most important asset is the present NU leadership, which consists of the ulama, the thinkers, and the younger generation. The composition of the leadership in terms of these three groups is his personal vindication. And it is this which he calls the most important asset of the NU.

In addition to that there are other factors, Kyai Siddiq added, which support the strong indications from outside the organization and which take the side of the NU in providing hope for the success of the national congress. All of these positive opinions come from various elements of the community, as well as from the government.

On this occasion he hoped that all elements of the community, and especially the government, would extend a welcome and recognition not limited to the NU. Indeed, he hoped that the community would also recognize the work of the Muhammadiyah, a religious organization which has been active in the social and educational fields. It should also receive substantial recognition. The NU general chairman said: "This is not intended to equate the NU with the Muhammadiyah or vice versa. Rather, it is hoped that they will be recognized as two groups doing the same kind of job." He added: "I want to praise the Muhammadiyah. With all my heart I want to praise the Muhammadiyah. This is not out of a desire to play games. Rather, it is sincerely meant to support Islam in Indonesia."

He thinks that there are no real differences of view between the NU and the Muhammadiyah. For example, in discussing religious law, the NU uses the Advisory Council [Syuriyah] in a session which considers matters involving Muslim law (Masilul Fiqhiyah). Questions of religious law resolved by the Advisory Council involve consulting the scriptures covering the Syafi'i, Hanafi, Maliki, and Hanbali schools of Muslim law. In the Muhammadiyah the body that considers religious law is the Tarjih Assembly (which reviews various opinions--Editor), adopting one

of several opinions. The difference is that the NU clearly refers to the school of thought which it follows, while the Muhammadiyah does not do this.

Meeting Point

H. Abdurrahman Wahid, the chairman of the Executive Committee of the NU Executive Council, also expressed an opinion in support of Kyai Ahmad Siddiq. He said: "Returning to the NU Declaration of 1926 does not at all involve looking for problems with the Muhammadiyah, which is not involved with the NU in an organizational sense. Problems that came up in the past have been resolved, and I look on the past as leading to the present status quo. Perhaps the problem is the words 'returning to the NU Declaration of 1926.'"

He stated that there are those who say that returning the NU to the Declaration of 1926 means that the NU is opposed to anything new. Such a view is a result of the fact that they have not reflected on what is meant by the NU Declaration of 1926, as a foundation for thought, attitudes, and behavior on the part of NU members in all actions and activities of the organization. Therefore, this is a foundation possessed by NU members, and they don't ask other people to accept it just like that. If they want to say this is old-fashioned or anything else, this is up to them. What is clear is that NU members do not leave this to other people. Therefore, what the NU did at its 27th National Congress was to try to bring the NU to consider the life of the people in broad terms, without reference to party problems of the past.

Now there are many points in common rather than points of difference between the NU and the Muhammadiyah, Abdurrahman Wahid said. He is also known by the nickname of Gus Dur. In another area a problem faced by both organizations at present is quite different from the past. That is, there are militant groups which want to present Islam as an alternative in our life as a nation. Both the NU and the Muhammadiyah face this problem, because there are such groups within each organization. Clearly, this confrontation is not between the NU and the Muhammadiyah but between the moderate group in the NU and the Muhammadiyah and the militant group within the NU and the Muhammadiyah. In this connection the NU and the Muhammadiyah can help each other to deal with this problem.

He declared that in fact it is not fair to compare the NU with the Muhammadiyah, because the life and characteristics of each organization are different, and each one has its own past history. Abdurrahman Wahid said: "However, of course what is being said by our friends is intended to warn us. Yes, we accept that. If there are those who say that the NU is traditional and old-fashioned in outlook, we don't look on this with anger, but we accept it as a warning to move forward. Therefore, all of us should act in this way in carrying on our dialogue and should not impugn each other's opinions."

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INDONESIA

MURDANI URGES EAST TIMOR GUERRILLAS TO RETURN TO COMMUNITY

Jakarta SINAR HARAPAN in Indonesian 26 Dec 84 p 1

[Text] Jakarta, 25 December---General L. B. Moerdani, commander of the Indonesian Armed Forces, expressed regret that there is an element of society which has been affected by bad influences or is not fully aware of the situation, which is in the mountains and forests suffering from the cold and hunger, and which cannot celebrate Christmas properly.

He expressed his concern on 25 December at the Balai Prajurit in Dilli, East Timor, at the Christmas celebration attended by Governor Mario Viegas Carascalao; the chairman of the Temporary Provincial Council of East Timor; Lieutenant General Yogi, master of laws and commander of Defense Area II; and Brigadier General Soetarto, commander of Military Area XIV/Udayana.

The commander of the armed forces declared: "Conditions like these must be brought to an end. Let them come down to the cities or villages right away. Life is now far better and will be even better when there are no disturbances to security."

He asked that this message be passed on by people of the cities or villages who can contact those who are still in the forests and mountains. He added: "Take pity on them. So that they won't continue to suffer, tell them that life in the cities, villages, and kampongs is far better and that there is no shortage of food."

He continued: "If they don't want to come to their senses and continue to cause disturbances, in the interest of the majority of the people the Indonesian Armed Forces will continue to pursue them. However, if they come to their senses and come down out of the mountains, I repeat my previous statement that they will be treated properly and in a humane way."

Introspection

The commander of the armed forces said that in celebrating every major religious festival, such as Christmas, the Indonesian people have a duty to consider how far the peaceful life taught by every religion has been realized in Indonesian society.

General Moerdani stated: "Christmas is a day which is looked forward to by Christians to celebrate and commemorate." He added that all groups in Indonesia are

certainly saddened that there is still a group of people in East Timor who cannot celebrate Christmas because they have a narrow point of view or have been affected by smooth words and provocations.

He said that those who hold these mistaken views are not trying to apply Christian teachings, which are full of peace. Rather, on the contrary, they are wandering in the forests and disturbing orderly society.

Family-Oriented Philosophy

General Moerdani stated that the philosophy of the Indonesian people is a philosophy oriented to the family. Therefore, every action in conflict with this family principle is inimical to the Indonesian people. He said: "Under such circumstances the Indonesian people will always take firm action against those who roam about in the forests and mountains and who disturb society."

At present the East Timor people are aware that their life as members of the Indonesian nation is already far better than it was 9 or 10 years ago.

He stated: "I am convinced that the people of East Timor, both those who are Christians and those of other religions, will say honestly that 9 or 10 years ago it was not possible to celebrate Christmas or the holidays of other religions under as favorable circumstances as at present."

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CSO: 4213/130

INDONESIA

SUDOMO ON LABOR PROBLEMS IN 1985

Jakarta KOMPAS in Indonesian 28 Dec 84 pp 1, 8

[Text] Jakarta, KOMPAS--Minister of Manpower Sudomo said that the way to deal with manpower problems in 1985 was to work hard. The minister said this at an end of the year press conference held on 27 December.

To employ an additional 1.8 million workers in 1985 and provide employment to the remaining unemployed workers left over from 1984, amounting to 361,872 people, Sudomo said it could not be hoped that there would be an increase in economic growth. The key to the additional employment of workers next year, Sudomo said, lay in increasing the number of labor intensive projects, sending Indonesian workers (TKI) overseas, training young workers to work for themselves, and developing the informal labor sector.

Asked about the increase in the number of companies which are no longer producing, making it difficult to maintain employment, Sudomo said: "Only a few companies are no longer working, and some companies have only reduced production by 50 percent. The rest are still producing as usual." He did not state how many companies have halted production and the number of workers who have been affected.

The number of workers registered as looking for work in 1984, figured on a cumulative basis, was about 630,871. Of this total jobs were found for only 66,982 of them, or 10.6 percent. The remaining workers who have not yet been employed total about 361,872. During 1984 the Department of Manpower was notified of 100,882 job openings, of which 66,982 positions were filled, leaving 33,900 openings unfilled.

According to calculations by BAPPENAS [National Development Planning Board], during the Fourth 5-Year Plan a total of 9.3 million additional workers will enter the labor force, or 1.8 million per year. Assuming an economic growth rate of 5 percent in 1985, not all of these remaining workers can be employed. Therefore, Sudomo said, the budget for labor intensive projects needs to be increased. He said: "I will propose that the budget for labor intensive projects be increased further, because this is one key way to deal with the manpower problem in this coming year."

The labor intensive budget for fiscal year 1984-85 is about 35 billion rupiahs. During fiscal year 1983-84 a total of 291,198 people were employed on these projects, including 6,794 graduates of senior technical high schools (SMTA).

Corruption

He was asked on this occasion about the extent of corruption on these labor intensive projects. Some time ago M. Jusuf, chairman of BEPEKA (the Financial Supervision Board), asked Minister of Manpower Sudomo to be vigilant regarding unofficial deductions from the salary of workers on these projects. Regarding this matter, Sudomo only said that Sutopo Yuwono, secretary general of the Department of Manpower, is developing the concept for a special system of supervision for the implementation of this project.

Meanwhile, M. Siregar, the inspector general of the Department of Manpower, who attended the press conference, said that since April 1984 about 1.25 billion rupiahs have been improperly manipulated on the labor intensive projects.

To deal with the problem of absorbing manpower, the Department of Manpower over the coming years will increase its efforts further in the field of employment grants; training potential workers (particularly graduates of SMTA) at labor training centers; sending workers to other areas, other provinces, or overseas; and urging workers to be self-employed, etc.

The expansion of the market for labor in 1984 has been calculated as follows: civilian government offices (state employees) will employ 94,446 people; the Indonesian Armed Forces, 23,000 people; the program to send workers overseas, 37,857 people; labor intensive projects, 291,198 people; and employment grants from the Department of Manpower, 66,982 people. Meanwhile, foreign and domestic investment, which will amount to \$3 billion, will employ 32,000 people. The workers employed on programs to send them outside of their cities or provinces total 27,827 people.

In addition it is estimated that the government sector, with its development budget of 5,472,916,200,000 rupiahs, will employ an additional 405,000 workers. As a result during 1984 expanded employment opportunities with the government provided 97,170 jobs to people.

According to Sudomo, in the framework of hiring new state employees in fiscal year 1984-85, the Department of Manpower, through its employment opportunity grants, will hire 82,565 people. The number of persons registering to become state employees in 1984 totaled about 218,048 people. Those who were accepted by the government were only 37.8 percent of this total.

Regarding the informal sector, Sudomo did not make clear how many workers were employed in this area. Regarding further development of this sector, he did not provide any detailed explanation. He only emphasized that workers in the informal sector, such as trishaw drivers and peddlers of merchandise, should not be driven away from where they operate before they are provided with a replacement job.

Regarding the training of new workers, Sudomo said that during 1984 the Department of Manpower had trained about 81,400 people at labor training centers. However, he didn't make clear how many people were successfully put to work in the self-employed sector.

INDONESIA

GOVERNOR SAYS PORT AT PULAU BAAI NO THREAT TO SOUTH SUMATRA

Jakarta MERDEKA in Indonesian 26 Dec 84 pp 1, 12

[Text] Palembang, 25 December--The operation of a deep water port at Pulau Baai in Bengkulu Province will not affect the volume of non-petroleum and natural gas exports, particularly agricultural products and estate agricultural shipments, from Palembang.

This statement was made by H. Sainan Sagiman, the governor of South Sumatra, to reporters in Palembang regarding fears expressed by some groups that non-petroleum and natural gas commodities from this province would be drawn away to be exported through the deep water port at Pulau Baai which was officially dedicated by President Soeharto on 21 December.

The governor said: "There won't even be a small problem should export commodities involving agricultural and estate agricultural products be shipped through the harbor at Pulau Baai."

He continued: "Taking a national point of view, there should be no fear of this, and this will not affect our financial balance, either in terms of the state or provincial budgets, which draw resources from foreign exchange earned by exports."

According to H. Sainan Sagiman, although at present South Sumatra is stimulating non-petroleum and natural gas exports, with the entry into operation of the deep water port at Pulau Baai, the volume of exports through the harbor at Palembang will not be affected.

He said: "Perhaps what will happen is that the export volume will continue as at present, while increases in the volume of exports will be drawn to Bengkulu Province, particularly coffee, which comes from Musi Rawas and Lahat Regencies."

South Sumatran Exports

According to information obtained from the South Sumatra Provincial Trade Office, in 1983 the overall value of non-petroleum and natural gas exports from South Sumatra was \$705 million. Exports of coffee during the first three quarters of fiscal year 1984-85 [April through December 1984] amounted to 27,727 tons. Half of the coffee was produced by smallholders in the Pagar Alam and Lahat areas, which have sold a considerable amount of coffee through Bengkulu because it is

closer and because the roads used for trade in Lahat Regency, which is the center of the coffee growing industry, are in very bad condition.

According to information obtained by MERDEKA, at present South Sumatra produces annually about 65,000 tons of coffee, 150,000 tons of rubber, and about 700,000 tons of tea from State Agricultural Enterprise X.

A person born in Bengkulu Province who is now working as a government official in South Sumatra stated, in response to a question from a MERDEKA representative, that with the deep water port at Pulau Baai in operation new prospects will open up for the economy of that province.

In his view the problem now is whether the deep water port will have enough business to operate efficiently, in view of the fact that it is only in the next 2 years that this province, which is among the youngest in the country, will be producing estate agricultural products, while no great quantities of commodities originating in South Sumatra, such as coffee, rubber, and so forth, can expect to be drawn off to Bengkulu.

Expressing a different opinion than this source, an exporter in Palembang contacted by a MERDEKA representative said that the opening of the deep water port in Bengkulu will encourage the business world to invest its capital in that province.

In this connection this source hoped that the managers of the deep water port will engage in "promotional" activities, providing various facilities and collecting low charges for services.

Poor Condition

Regarding road infrastructure, which is the main artery for the economic growth of a province, the road segment between Bengkulu and South Sumatra, through Pagar Alam, which was in good condition 5 years ago, is now in a very bad state. In this connection this road is an important economic link and is the shortest route between Palembang and Bengkulu, via Lahat and Pagar Alam, compared to the alternative route from Palembang to Bengkulu via Lahat, Tebing Tinggi, Lubuk Linggau, and Curup.

5170

CSO: 4213/129

INDONESIA

MERCHANT FLEET CAPACITY FAR SURPASSES CARGO VOLUME

Jakarta KOMPAS in Indonesian 26 Dec 84 p 2

[Text] Jakarta, KOMPAS---Government policy on the purchase of new ships for the commercial shipping fleet, replacing ships that have been scrapped, significantly disturbs the balance between existing cargo capacity and the volume of interisland freight which must be transported.

In making this statement to a KOMPAS representative on 24 December shipping figures stated that the objective of scrapping the old ships was not only to reduce the capacity of the commercial fleet but also to increase the efficiency of the ships through limitations on the age of individual ships. However, another objective of scrapping the old ships is to improve the prospects for shipping companies in Indonesia.

The carrying capacity of the ships available before the decision was made to scrap old ships was far greater than the volume of goods which needed to be transported. It was this relative difference which, it was estimated, led to the emergence of a freight tariff war which has been difficult to control. By the end of 1984 alone, the Directorate General of Sea Transportation had authorized 10 companies to buy 17 used ships from overseas with a total Dead Weight Tonnage [DWT] of 43,094 tons.

These shipping sources consider that the policy for scrapping old ships was based on Letter of Decision of the Minister of Communications No KM57/HK404/Phb84. This decision needs to be reviewed. This is because the final objective of scrapping the ships was to standardize shipping used in Indonesian waters. The sources asked: "If used ships built overseas can be purchased, then when can standardization be achieved?"

Larger

Meanwhile, the Directorate General of Sea Transportation, through its director of community relations, stated to a KOMPAS representative in an interview that up to the present a total of 133 ships have been scrapped, with a Dead Weight Tonnage of about 108,218 tons. In 1983, before the decision to scrap ships was made, the carrying capacity of the Indonesian domestic shipping fleet was listed at 548,681 DWT. The freight carried was 7.8 million tons. After the prohibition on the operation of ships more than 25 years old entered into effect, the total

carrying capacity of the domestic shipping fleet was reduced to 440,463 DWT, while the volume of the freight carried was about 8.3 million tons.

In terms of the total freight to be carried, the ideal shipping tonnage required is 442,000 DWT. The written answer provided in the KOMPAS interview is in conflict with the facts regarding the desirable goal. The ideal is stated to be 442,000 DWT. However, clearly, the tonnage on hand is larger. That is, the 440,463 DWT (of existing tonnage), plus the 43,094 DWT (of ships on order), amount to a total of 482,557 DWT.

Cost Under Consideration

Further on in its statement to a KOMPAS representative, the community relations section of the Directorate General of Sea Communications stated that during the Fourth 5-Year Plan 80 cargo ships will be built: 24 units of the Caraka Jaya I type (1,000 DWT), 38 units of the Caraka Jaya II type (2,250 DWT), and 18 units of the Caraka Jaya III type (3,000 DWT). The overall tonnage of these ships will be 163,500 DWT.

The construction of these new type cargo ships will take place in domestic shipyards. The cost will be about \$297,987,150. The source of these funds is at present under consideration.

5170

CSO: 4213/130

INDONESIA

FARM MECHANIZATION IN COUNTRY CALLED MISDIRECTED

Jakarta KOMPAS in Indonesian 28 Dec 84 p 2

[Text] Jakarta, KOMPAS--The program for the mechanization of agriculture in Indonesia up to now has been misdirected. Farmers have only been trained to use agricultural tools and machinery and have been provided with less technology to make their own farm implements. As a result, they are only consumers of equipment which they are not sure how to use.

This was stated by Doctor Soedjatmiko, secretary of the Association for the Mechanization of Indonesian Agriculture, to a KOMPAS representative in his office on 22 November. He is an adviser to the director general of FAO (Food and Agricultural Organization) in Rome in the mechanization of agriculture sector.

According to Soedjatmiko, it has been one-third of a century since the mechanization of agriculture was introduced in Indonesia. The people are still dependent on technology and equipment brought in from abroad. This equipment, in general, is not particularly suited to Indonesian conditions, and as a result mechanization of agriculture in general has not developed very far.

This can be seen from the number of agricultural equipment and machinery factories which cannot sell their products, such as tractors, water pumps, drying machines, and so forth. On the other hand agricultural equipment developed by the people themselves are selling quickly. For example, in Aceh about 800 units of a paddy harvester are now in use, developed in the province and produced by 26 small shops in the region.

Indeed, it was accepted at first that agricultural implements of that kind could be made from wood. However, sooner or later it was felt necessary to make them out of steel. Also, pedals were initially used to make machines turn, but they were soon improved by using motors.

Shop Credits

Speaking personally, Soedjatmiko said that he did not agree that agricultural machinery credits should be provided to the farmers, in the sense that the farmers can obtain the equipment on a credit basis. He is inclined to the view that the credits should be used to set up agricultural equipment workshops in the villages. Then the farmers can obtain equipment from the shops on a credit basis.

According to Soedjatmiko, agricultural equipment, such as tractors, do not need to be owned by every farmer. A few rich farmers in a village may own tractors. In addition to their own needs, they can rent the tractors to other farmers in the vicinity. He said: "It's no different from renting water buffalo or oxen to plow the land."

However, he emphasized that the farmers should understand engineering, that is, using technical expertise to develop appropriate agricultural equipment. What is happening now is mechanization by developing skills to make use of agricultural equipment designed and produced abroad.

He admitted that up to now agricultural engineering has made progress in Indonesia by developing traditional agricultural tools which may be found in various provinces. However, up to now these tools have not developed as quickly as the import of agricultural equipment from abroad.

According to present plans, on 6 February 1985 the Agricultural Mechanization Congress will be held in Jakarta. At the congress more detailed consideration will be given regarding the agricultural mechanization situation at present. In addition, there will be a discussion of preparations for the mechanization of agriculture in the next phase.

5170

CSO: 4213/130

INDONESIA

FAMINE IN IRIAN JAYA CLARIFIED

Jakarta KOMPAS in Indonesian 26 Dec 84 p 2

[Text] Jakarta, KOMPAS--The food shortage in Kurima District, Jayawijaya Regency [Irian Jaya Province], has not been caused by "suklum" insects. This area has suffered from a chronic food shortage. It is located at an altitude of 1,000 to 2,000 meters above sea level. This was stated by Engr Suhaedi Wiraatmadja, director general of food crop agriculture, in a press conference held in his office last week.

It had been previously reported that up to 17 November 1984 231 persons had died from hunger in Kurima District, Jayawijaya Regency, Irian Jaya Province. The figures on the victims of famine had been recorded since August 1984, affecting seven villages in the district. Thousands of people in other villages in the district are also suffering from a shortage of food. The people who died generally were short of food, which resulted in lowered resistance to disease. They suffered from diarrhea, influenza, and malaria.

Albert Dien, regent of Jayawijaya, in his report to Izac Hindom, the governor of Irian Jaya, said that food was in short supply because the sweet potato crop, which provides the basic foodstuff of the area, was a failure, as it had been affected by pests since August 1984. The pests are a form of worm which are like moles and are as large as a caterpillar. Local people call them "suklum."

Source of Protein

According to Director General Suhaedi, the "suklum" worms are moles or a kind of cricket with the scientific name of Gryllotalpa. This insect is also eaten by the local people as a source of animal protein and normally does not damage the crops to a serious extent.

The "suklum" worm population this year seemed higher than consumption by the people, with the result that there was some damage to food crops, such as sweet potatoes. The damage to the crops by the worms is estimated at less than 5 percent.

According to the director general, the shortage of food was a result of the fact that Kurima District is a potentially critical area from the point of view of population. Furthermore, there was work available on construction of a 30

kilometer road, under a labor intensive project. This occupied the time of the farmers, and they ignored their normal duties of plowing the land. This caused delays in the planting of food crops.

Regarding the death of some people, this was caused by influenza, dysentery, malaria, and complications related to the food shortage.

Food Crisis

To deal with this disaster, the provincial government has provided help in the form of rice and sweet potatoes since last September. Later, the Provincial Agricultural Service sent a four-member Agricultural Field Extension Team to stimulate a movement to plant basic foodstuffs, such as sweet potatoes and other vegetables. Help was also provided in the form of free vegetable seeds, such as corn, peanuts, soybeans, and kidney beans.

It is estimated that the food crisis in the area will reach its highest point between January and April 1985, because the people only planted food crops in November-December 1985.

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CSO: 4213/130

INDONESIA

NEW RICE FIELDS HAD SMALL ROLE IN INCREASING FOOD PRODUCTION

Jakarta KOMPAS in Indonesian 22 Dec 84 p 1

[Text] Jakarta, KOMPAS--The effort to intensify rice production had the major role in the increase in food production. It accounted for 86 percent of the production of rice, while new rice fields contributed 1.5 percent, transmigration projects contributed 1.0 percent, and the remaining area not involved in the intensification effort accounted for 11.5 percent.

These figures were mentioned by Engr Tb. Suhaedi Wiraatmadja, director general of food crop agriculture, in a press conference held in Pasarminggu on 21 December, covering the results of the National Working Meeting held by the Directorate General from 18-20 December.

According to Director General Suhaedi, the effort to expand the area planted to rice did not have much of an impact on rice production. The same thing is true of the role of increased production of food in transmigration areas, although the planted area there was expanded by 120 percent, the transmigration areas under the intensification program grew by 155 percent, and overall production was 108 percent of production in 1983. However, the impact on total production of rice in 1985 was still very small, amounting to only 1 percent.

The same thing was also true of the efforts to set up new, flooded rice fields. Of the 193,583 hectares of new, flooded rice fields set up between January and September 1984, only 169,011 hectares were actually planted to rice, and these fields only provided 1.5 percent of total domestic production. The total area of rice fields in 1984 was 9.36 million hectares.

One and One-Half Times

He said that 92,197 hectares of new, flooded rice fields were set up between March 1983 and the end of September 1984, for a rate of 4,600 hectares per month. To reach the goal of 350,000 hectares of new, flooded rice fields during the Fourth 5-Year Plan, or 75,000 hectares during 1985, our capacity to prepare new, flooded rice fields must be increased one and one-half times.

In order to reach this goal, improvements must be made in the system for preparing these fields. This includes improving the coordination of tasks and the synchronization of activity, beginning with the planning stage and with the cooperation

of the various government offices involved. The plans for preparing new, flooded rice fields must include guarantees that the fields will be irrigated, and the owners of the land must be clearly known, both in terms of communal land [tanah adat] or land belonging to the state.

Then the land which has been developed must immediately be used as well as immediately included in an extension area near the local WKPP [Agricultural Extension Working Area]. In addition the standard of measurement of activity involved in setting up new, flooded rice fields should become part of the project for fiscal year 1985-86.

In order to prevent a steady rise in the rate of interest on credits for setting up new, flooded rice fields, for which the Directorate General of Food Production depends on the Bank Indonesia, an effort will be made to use Investment Funds Accounts which carry a 6 percent annual rate of interest. The system by which the BRI [Indonesian People's Bank] functions as a channel for credit will be simplified. Farmers can immediately obtain credit when the new, flooded rice fields are completed, while awaiting the issuance of their land certificates.

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CSO: 4213/129

INDONESIA

OIL, NATURAL GAS FOUND OFF MADURA ISLAND

Jakarta HARIAN UMUM AB in Indonesian 26 Dec 84 p 3

[Text] Jakarta, HARIAN UMUM AB--Kodeco Energy Co Ltd, a Republic of Korea oil company which is working in an area offshore Madura Island under a production sharing contract, in a joint venture with Pertamina [State Oil and Gas Company], found two oil and two natural gas fields in September 1984 in the Java Sea North of Madura Island.

The Community and Foreign Relations Section of Pertamina announced the find on 24 December. The find was made in test bore KE-7 about 60 kilometers North of Surabaya.

By means of this well two productive zones were found in a carbonate layer at a depth of about 2,250 meters.

The KE-7 well flowed oil at a rate of 3,440 barrels per day with a specific gravity of 42 degrees API [American Petroleum Institute] through a 1 inch diameter pipe.

It was stated that the two new oil-bearing areas are promising areas in a formation previously regarded as unproductive. The drilling of delineation wells is being planned to evaluate the size of the oil pool.

Kodeco also found another oil field when it drilled well KE-6-3. By means of this well two oil-bearing zones were found in a CD sand layer with an interval of limestone at a depth of about 2,400 meters.

This well flowed oil at a rate of 3,950 barrels per day with a specific gravity of 32 degrees API through a 1 inch pipe. The CD sand layer is very helpful to plans by the company for exploration in the area, because this development is the first find in the area.

Natural Gas Zone

Through well KE 6 located about 30 kilometers North of Madura Island two productive natural gas deposits were found in a carbonate layer at a depth of about 1,524 meters. The well flowed natural gas with an overall capacity of 29.4 million cubic feet per day through a 1 1/2 inch pipe.

Meanwhile, through well KE 12, located 3 kilometers North of well KE 6, two productive natural gas deposits were found in a carbonate layer at a depth of 1,524 meters. The well flowed natural gas with an overall capacity of 10.4 million cubic feet per day through a 1 inch pipe.

The finding of the two new natural gas fields will increase total gas reserves found in 1983 through a well located 10 kilometers South of the two wells.

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CSO: 4213/129

INDONESIA

BRIEFS

BUKIT ASAM PROJECT DELAYED--The project for the development of the Bukit Asam coal mine, which is to provide coal for the Suralaya steam-powered electricity generator, is estimated to be about 17 months behind schedule. The World Bank estimates that unless additional action is taken, there will be a 17 months' delay, while PT Bukit Asam (PTBA) [Bukit Asam Company] itself is aware that it is not possible to reduce the delay, for example to 12 months. Engr Chris Situmorang, the managing director of PTBA, told the press on 24 December that the cause of the delay was the limited capacities of the contractors, who are composed of Indonesian companies; the problems involved in clearing the land titles; and the prolonged rainy season. The Suralaya electricity generating plant will be powered by coal. The first phase involves the construction of two units, each with a capacity of 400 Megawatts [MW]. For this phase about 2.5 million tons of coal are needed each year. To obtain the coal, the Project for the Development and Transportation of Coal at Bukit Asam (P4BA) was created, which consists of four subsystems. The object is to expand mining operations at Air Laya, Bukit Asam, to about 2.5 million tons per year, to rehabilitate the railroad between Bukit Asam and Tarahan, to rehabilitate the harbor at Tarahan, and to rehabilitate ship transportation between Tarahan and the harbor at Suralaya. The original target for the Air Laya mine to enter into production was November 1985, with full production to be achieved by September 1986. While production is still below the target, the Suralaya electricity generating plant will import coal from Australia. To ensure that the electricity generating plant does not import too much coal, PTBA promised to provide 25,000 tons per month, beginning in August 1984. By December 1984 the PTBA had shipped 104,360 tons of coal, compared to its promise to ship 140,000 tons. [Excerpt] [Jakarta KOMPAS in Indonesian 26 Dec 84 p 2] 5170

1984 INFLATION RATE FALLS--Minister of Finance Radius Prawiro has stated that the inflation rate for calendar year 1984 was only 8.76 percent, far lower than the inflation rate for calendar year 1983, which was 11.46 percent. The inflation rate during the first 9 months of fiscal year 1984-85 was even lower, or 3.46 percent, whereas in the same period of fiscal year 1983-84 it was 7.33 percent. This was stated by the minister of finance when he was installing in office a number of senior officials, directors, and chairmen of the board of companies and banks under the supervision of the Department of Finance in Jakarta on 27 December. The minister of finance said that with this encouraging development, we can feel freer as we begin 1985. However, the efforts to control the inflation rate must be continued. If inflation is kept under control, this will ease the burdens for

all of the Indonesian people. This is because inflation is basically an enforced tax which is paid by all of the people in the form of a decline in the value of the rupiah. People with low incomes bear a relatively heavier burden than those with high incomes. The control of inflation is part of the task of financial and monetary officials. Looking back over the economy in 1984, the minister of finance said that it was full of challenges. However, Indonesia was successful in overcoming most of the existing challenges. One of these challenges was the rise in interest rates. This was overcome, thanks to the speed with which the banking system adjusted itself to the new situation, with the result that this monetary flareup did not last long. This shows that we do not stand alone in this regard. The rise in interest rates was the result of the indirect influence of monetary developments overseas, such as the increase in the exchange rate of the U. S. dollar in terms of other currencies. [Text] [Jakarta SUARA KARYA in Indonesian 28 Dec 84 p 3] 5170

CSO: 4213/130

LAOS

DR SIHO BANNAVONG ON DRAFT CONSTITUTION, ELECTION LAW

Vientiane VIENTIANE MAI in Lao 27 Dec 84 pp 1, 4

[Speech by Dr Siho Bannavong on the Occasion of the Closing of the Vientiane Capital People's Supreme Assembly on Drafting the Constitution and Election Law; date and place not specified]

[Text] Chairman, the committee, and honored guests:

Today our meeting has urgently and determinedly studied and listened to the comprehensive report which enabled us to grasp the goal and expected level, including plans for and progress in improving socialist law in order to steadily strengthen our young republic as befits a sharp weapon of the party and to exercise its rights and leadership throughout society, and so that the people of ethnic groups, i.e., the people in Vientiane Capital, can use it to exercise their right of mastery of their own country.

Dear countrymen: As I said in the morning concerning the position and role of law, including the significance of a constitution for a state with independence, sovereignty, and integrity as other states throughout the world, law plays an important role in the transformation and relations of social life, in ensuring socialist rights and basic interests, the rights and honor of the people throughout, and equality in terms of law. The law also helps our new society to stabilize and expand. As you all know well, any lawless society will have unrest and disorder. It has been the case that the government and also our Vientiane Capital have adopted a number of regulations, resolutions, and orders which are all forms of law aimed at transforming the rules of socialist relations and for building a new society on the path of socialism without passing through the period of capitalist expansion. It is undeniable that when society and also the revolution expand there is further need for us to improve and change the laws and to make them more complete and consistent so that they will open up more and better ways to carry out the political duty of Vientiane Capital. This task is a direct responsibility of the Vientiane Capital People's Supreme Assembly, i.e., all the Council's members elected by the people are obligated to take part in the construction and improvement of the laws and also to lead the people to strictly and widely adhere to them throughout. They themselves must also strictly and actively adhere to the laws before anyone else.

Dear countrymen: Now the People's Supreme Assembly has appointed a committee to draft the constitution and election law and its chairman, Chairman Souphanouvong. They gave a number of questionnaires to our Vientiane Capital People's Supreme Assembly for the people and various work sections around Vientiane Capital and in different districts to answer. The responses will be screened and summarized in the first constitution for our country by the constitution and election law drafting committee of the People's Supreme Assembly, and it will be a long-lasting master law. Thus, I once more appeal to all offices and organizations around Vientiane Capital to be more creative, to study and reason with a revolutionary spirit, and to be highly responsible for the destiny and future of our country. They must participate in putting their intelligence to work in the style of socialist collectivism and full-scale democracy, and give us the responses that are appropriate for each aspect of the actual social situation in Vientiane Capital so that they reflect the objective facts throughout Vientiane Capital and the common needs of the people of ethnic groups nationwide. This time the party committee, the administrative committee, and various mass organizations have a leading role and duty as driving forces in dealing with this situation. If any problems occur they must help each other to solve them in a timely manner. They also have to ensure their daily work duties, principles, spirit, and expectations for various tasks.

The committee for the Vientiane Capital People's Supreme Assembly's participation in the study to draft a constitution and national council election law must be a driving force, and closely guide, follow up, and solve various problems [that might arise]. It must also collect and compile the responses from different regions for the final opinion of Vientiane Capital in order to pass them along to the regular committee, and submit them as the official response to the PSA according to the expected plan and schedule.

Finally, I would like to wholeheartedly thank those cadres who made sacrifices to take part in the meeting today. In particular, I would like to thank the members of the committee for drafting the constitution and election law of the PSA who have helped regarding its content and also for the preparation of the opening of the conference today so it could be carried out as expected.

I wish you all good health and success in your duties. Now, I would like to officially announce the closing of the conference.

9884

CSO: 4206/79

LAOS

VIENTIANE CENSUS, NEGATIVE CULTURAL PHENOMENA NOTED

Vientiane VIENTIANE MAI in Lao 17 Dec 84 pp 2, 6

["Our Capital" Column by Piam Choulamouni: "Cultural Progress in Vientiane Capital"]

[Excerpts] Vientiane is a center for politics, the economy, and social culture. It is a gathering place for all kinds of classes of people. It contains international organizations and in general it is a sharp weapon of the socialist camp. Vientiane Capital consists of 7 districts, 48 cantons, and 406 villages, which is a fairly large area. In the provincial municipality alone there are 4 districts and 17 cantons. The other three districts are in the outskirts, where there are 5 districts, 22 cantons, and 115 villages adjoining approximately 170 km of the Thai border.

Vientiane Capital has a population of 341,666 people of which 47 percent are farmers. There are many ethnic groups, social classes and nationalities, e.g., Chinese, Vietnamese, Cambodian, Burmese, Malaysian, Indian, Pakistani, French, Japanese, Philippino, and Northern Thai numbering about 10,000 people. This figure does not include the diplomatic corps.

This special character for Vientiane Capital indicates many of its basic strong and weak points, particularly in terms of social culture. There is always confrontation between the enemies and us. The enemies have been trying in every way to destroy us with many schemes to infiltrate social culture, e.g., the enemies have misused [Buddhist activities] and different celebrations of the people of ethnic groups, and have used rotten art and cultural goods for their income. There is also a revival of old-fashioned customs, e.g., superstition, fortune telling, and various witch doctors.

To confront this situation the Vientiane Capital Cultural Section under the guidance of the party and administrative committees of Vientiane Capital and the Ministry of Culture, in cooperation with different sections concerned, have been working against the enemies' schemes to dismantle them in many ways. For example, they have improved and organized the cultural section network down to the grassroots level and have succeeded at the basic level. At the district level they organized district cultural offices consisting of administration and control units, cultural studies and summary, amateur troupers and mass troupers, mobil movie units, a library, and a room for historical exhibition and the purchase and distribution of art products and handicrafts, books, and newspapers. At the village level 406 villages have basically succeeded in organizing the people to be responsible for village cultural work. There is work improvement at the village level also.

The conversion of culture to the grassroots focuses on reviving and organizing art and literature for the masses and organizing and mobilizing each other to actively inspect the creativity of the exhibits for welcoming the two historic days, holding creative training courses for both amateur and professional performers, holding a short course in political ideology for cultural cadres and combatants and the people, setting regulations for every aspect of cultural control and inspection in Vientiane Capital, and training merchants and the private sector that does business in cultural trade so they can correctly adhere to the regulations and the new socialist cultural policy.

In order to stop and defeat the evil and reactionary culture, the Vientiane Capital Cultural Section has instituted some new socialist culture. For example, it has organized a professional performing arts division as a place to study, train, and guide amateur troupers and to protect amateur troupers by a strong control organization. It has set up a recording room for producing tape reels and song cassetts about new socialist art and culture for sale, and it has also organized stores for distributing pictures, books, and newspapers, along with arranging mobile and permanent places for showing movies, rooms for exhibiting pictures, and a library for the masses. It has also educated the masses to stop selling alcohol and from doing western-style dances in the open air. The reasons for this are because the harmful effects far outweigh the advantages. Other forms of fund-raising should be organized instead, such as working collective-style, organizing art performances by selling tickets, and [showing] other good movies.

In the first 6 months of 1984 the basic figures for cultural work in Vientiane Capital alone are as follows: 14 libraries and picture exhibitions and 903 books in libraries, 5 state and private movie houses, 18 clear lots for movie shows, 2 mobile movie units, 6 bookstores, 1 state and 4 private-sector publishing houses, 1 Vientiane Capital professional performing arts unit and 6 amateur musical performance units, 17 mass trouper units, 8 dance drama units, and 1 recording room.

From what has been discussed above, we can clearly see that since the Vientiane Capital Cultural Section has been working in cooperation with the Ministry of Propaganda, Information, Culture, and Tourism, there are ways to carry out some of the tasks mentioned resulting in many beneficial effects, e.g., defeating and gradually wiping out the remnants and traces of the evil and reactionary culture. We are also able to gradually transform and construct a new socialist culture and have a good possibility of expanding it. This demonstrates that the people of different ethnic groups in Vientiane Capital have become active socialist men who have confidence in the party and government, and take part in and become a driving force in national defense and security and the construction of a new socialist nation. These people are united with the party and government in protecting the fine and civilized culture of the new socialist regime. They also clearly see the enemies schemes for psychological warfare.

The organizing of the cultural network on down to the grassroots is the foundation for the expansion of the new socialist cultural work, and also results in this work management becoming orderly, e.g., the organizing for fund raising of the masses is gradually increasing. Although blind belief still remains, it is not spreading. Amateur art and literature, e.g., western music and Lao story singing, is gradually coming [under control], and is included in the organizing of cassette tapes for music and songs; there has been a decrease in pictures and fantasy novels smuggled in for sale. Moreover, the art of the masses in different localities has been much improved by participating in and following the guidance of the local culture for each level.

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CSO: 4206/79

LAOS

COMMENTARY ON NEW THAI BORDER OFFENSIVE

Vientiane PASASON in Lao 9 Jan 85 p 4

['Commentary'" "The Attack on the Three Lao Villages Was a Product of Pan-Thaism and Chinese Expansionism"]

[Text] It was 4 to 5 days ago when Thai troops in the Hom Khab (Phou Hang) area of Laos initiated a new attack southeast of Ban Mai in order to expand their occupation of Lao territory. The Thai first cavalry/infantry division attacked this area along with firing many rounds of 155 mm and 105 mm artillery at many locations in the three-village area and nearby area, e.g., the high point of Phou Houat Kuie Nokseo, [Ban Mai outpost], and the Ban Mai Noi and Ban Pong areas. This caused damage to the people in these localities in terms of lives and property. The new attacks of the Thai ultrarightist reactionaries on the three Lao villages was the work of pan-Thaists in collaboration with Chinese expansionists and hegemonists who are never without carefully-planned schemes to expand and invade neighboring nations in the region and especially to encroach upon and swallow up Lao territory. From history we recall that when Siamese rule was powerful pan-Thaism insanely exercised its power. During the invasion of the Japanese warlords who trampled on the Southeast Asian nations, the reactionaries of the Siamese rule that followed pan-Thaism used the alien warlords as a means to carry out pan-Thaist ideology by encroaching upon the neighboring country which was Laos. Later on in the period of the French colonialists and the American imperialists [they] carried out a cruel and insane war hoping to annihilate the revolutionary forces of the three Indochinese nations. The ultrarightist reactionaries in the Thai ruling clique went along with the alien imperial forces so they could carry out their colonialism. Now the ultrarightist reactionaries of the Thai ruling clique are led by Athit Kamlang-ek, the supreme commander and also the RTA commander of Thailand. He colludes with the Chinese expansionists against the revolution of the three Indochinese nations, especially when they shamelessly used over 2,000 of their regional forces to back their strong artillery and occupied the three Lao villages of Ban Mai, Ban Kang, and Ban Savang in Paklai District, Sayaboury Province.

In the past half-year and during the past months they had to withdraw part of their troops from the three villages. They still keep their troops along different high points from 300 to 500 meters further into Laos in the three-village area.

The reason the Thai ultrarightists reactionaries had to withdraw their troops from the three Lao villages was to decrease the condemnation of public opinion of all social classes in Thailand and of the advanced masses of the world, and to gain support for a seat on the UN Security Council as a temporary member. However, their true nature is completely hypocritical.

Nothing has changed in their basic policy and schemes and the expansion strategy of pan-Thaism, especially towards the LPRP. This is undeniably confirmed by their new attacks on the three-village area 4-5 days ago. Therefore, it is clear that their new attacks on the three Lao villages on 2-3 January was the work of the pan-Thaists in collusion with the Chinese expansionists and hegemomists. Learning this danger has increased the high consciousness of the people of the three villages and also the people of ethnic groups nationwide so that they will together resolutely decide to defend and strengthen themselves and the sovereignty and integrity of Laos, demand that the Thai ultrarightist reactionaries stop all acts to invade Laos, withdraw their troops from Lao territory quickly and completely, return the Lao people who were taken by force to Thailand to their own land, compensate for the damage to the local people, and respect Lao sovereignty and normalize the three villages to the way they were before 6 June 1984.

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CSO: 4206/82

LAOS

COLUMN ON POSSIBLE EXPULSION OF 'WEAK' LPRP MEMBERS

Vientiane PASASON in Lao 3 Jan 85 p 3

["The LPRP Which Has Organized and Led All Victories of the Lao Revolution"
Column: "Carry Out Control and Training of Party Members; Divide Up Tasks
Among Them and Correctly Add New Members According to the Standards"]

[Text] The party committee and the grassroots party chapters must have certain ways to control the party members in terms of ideology, social involvement, etc. The party chapters must adapt working techniques, carefully divide up the tasks for them, organize and assign them to do their main grassroots task, and inspect their work.

The party chapters must have a detailed plan to help 'weak' party members to make progress. At the end of 1985, if they still do not meet the standards set for party members they must be observed and assessed in every aspect in a thorough manner, and then a report must be made to the higher echelons to consider their expulsion from the party.

The party committee and the grassroots party chapters must determinedly and effectively carry out the task of adding new party members properly according to the regulations. In following this goal the party chapters must be on guard against any extremes that are not consistent with the standards. The party chapters must thoroughly learn their purpose in becoming party members and their acceptance of the goals concerning different views of the party, and especially observe and assess the outcome of many tests. The party chapters should not accept those who cannot differentiate friend from foe, those who do not seem to be willing to walk on the path of socialism, and those who are not willing to live the collective lifestyle (particularly in areas where the collective style of living is followed).

9884

CSO: 4206/82

LAOS

KHAMTAI THANKS COUNTERPARTS FOR MESSAGES

PRK Defense Minister

BK120721 Vientiane Domestic Service in Lao 0430 GMT 7 Feb 85

[4 February message from General Khamtai Siphandon, LPDR national defense minister]

[Text] Respected Comrade Minister:

I am very glad to have received your congratulatory message on the occasion of the 36th anniversary of the founding of the LPA. On behalf of all officers and men in the LPA, I would like to express my profound thanks to you, Comrade, for your excellent congratulations.

May the fraternal friendship, militant solidarity, and all-round cooperation between the armies and peoples of Laos and Cambodia last forever and grow continually.

I wish you, Comrade, happiness and great success in carrying out your noble tasks.

With respect and affection.

[Dated] Vientiane, 4 February 1985

[Signed] General Khamtai Siphandon, national defense minister of the LPDR

GDR Defense Minister

BK120717 Vientiane Domestic Service in Lao 0430 GMT 8 Feb 85

[4 February message from General Khamtai Siphandon, LPDR national defense minister, to General Heinz Hoffmann, GDR national defense minister]

[Text] Respected Comrade Minister:

I am extremely happy to have received your congratulatory message on the occasion of the 36th anniversary of the founding of the LPA. On behalf of all officers and men in the LPA, I would like to extend my profound thanks to you, Comrade, for your excellent congratulations.

May the fraternal friendship and militant solidarity between the armies and peoples of Laos and the GDR last forever and grow continually. On this occasion, I wish you, Comrade Minister, good health, happiness, and great achievements in carrying out your noble tasks.

With respect and affection.

[Dated] Vientiane, 4 February 1985

[Signed] General Khamtai Siphandon, national defense minister of the LPDR.

Hungarian Defense Minister

BK120715 Vientiane Domestic Service in Lao 0430 GMT 8 Feb 85

[4 February message from General Khamtai Siphandon, LPDR national defense minister, to Lieutenant General Istvan Olah, Hungarian defense minister]

[Text] Respected Comrade Minister:

I am extremely happy to have received your congratulatory message on the occasion of the 36th anniversary of the founding of the LPA. On behalf of all officers and men in the LPA, I would like to extend my profound thanks to you, Comrade, for your excellent congratulations. I wish the fraternal friendship and militant solidarity between the armies and peoples of our two countries lasts forever and develops continually.

On this occasion, I wish you, Comrade, good health and great achievements in carrying out your difficult but noble tasks.

With respect and affection.

[Dated] Vientiane, 4 February 1985

Polish National Defense Minister

BK120705 Vientiane Domestic Service in Lao 0430 GMT 8 Feb 85

[4 February message from General Khamtai Siphandon, LPDR national defense minister, to General Florian Siwicki, Polish national defense minister]

[Text] Respected Comrade Minister:

I am extremely happy to have received your congratulatory message on the occasion of the 36th anniversary of the founding of the LPA. On behalf of all officers and men of the LPA, I would like to extend my profound thanks to you, Comrade, for your excellent congratulations.

May the fraternal and comradely friendship and militant solidarity between the armies and peoples of Laos and Poland last forever.

I wish you, Comrade, happiness and great achievements in fulfilling your difficult but noble tasks.

With respect and affection.

[Dated] Vientiane, 4 February 1985

[Signed] General Khamtai Siphandon, national defense minister of the LPDR

Cuba's Raul Castro

BK120701 Vientiane Domestic Service in Lao 1230 GMT 7 Feb 85

[4 February message from General Khamtai Siphandon, LPDR national defense minister, to General Raul Castro Ruz, Cuban Revolutionary Armed Forces minister]

[Text] Respected Minister:

I am extremely happy to have received your congratulatory message on the occasion of the 36th anniversary of the founding of the LPA. On behalf of the officers and men in the LPA, I would like to express my profound thanks to you for your warm congratulations.

May the fraternal militant solidarity between the armed forces and peoples of Laos and Cuba last forever and grow continually.

On this occasion, I extend my best wishes to you, Comrade, and wish you happiness and great achievements in performing your noble tasks. With love and affection.

[Dated] Vientiane, 4 February 1985

[Signed] General Khamtai Siphandon, national defense minister of the LPDR

CSO: 4206/96

LAOS

RICE SALES, TAXES PAID TO STATE, CROP PROGRESS

[The following information is extracted from the Vientiane press on the dates indicated in the parentheses following each entry in the remarks column. The following abbreviations are used PS=PASASON, VM=VIENTIANE MAI, KPL=KHAOSAN PATHET LAO]

LOCATION	REMARKS
Saravane Province	Has 30,764 hectares for paddy and 6,803 hectares for upland rice crops. Paddy yields are 2.9 tons/hectare. Upland yields in Lao Ngam District came to 3.1 tons/hectare which were the highest of all. Province-wide, average yields were 2.5 tons/hectare for paddy and 1.6 tons/hectare for upland crops (PS 9 Jan 85 p2)
Savannakhet Province	Initial figures show 4,180 tons of paddy paid as taxes which is 61.72 percent of the plan. Of this Outhoumphon District has paid 1,520 tons of the planned 1,645 tons. 2,890 tons have been sold or exchanged for goods with the state out of the planned 10,825 tons (PS 25 Jan 85 p 1)
Kasi, Vang Vient, Keo-Oudom Districts Vientiane Province	Paid 580 tons of rice as tax and 300 tons of that was requisition-purchased
Savannakhet Province	Has 83,000 hectares in production (PS 22 Jan 85 p 2)
Lao Ngam District, Saravane Province	Agricultural tax payments completed. Paid 290 tons (PS 21 Jan 85 p1)
Vientiane Capital	Has prepared land for dry season rice crop on 6,711 hectares out of the planned 7-8,000. (VM 21 Jan 85 pp1,4)

Gnommalat District, Khammouan Province	Paddy area has increased to 4,250 hectares with an average yield of 2.5 tons per hectare. Per capita yield is 375 kgs/year. (KPL 18 Jan 85 pA4)
Vientiane Province	1984 tax payments and rice sales to the state totalled 14,500 tons (16 Jan 85 p1,2PS)
Kham District, Xieng Khouang	Tax payments completed with more than 600 tons of rice paid (KPL 16 Jan 85 p A4)
Phong Saly District, Phong Saly	Tax payments have totalled 180 tons and the campaign continues (PS 11 Jan 85 p1)
Bolikhamsai Province	In 1984 6,956 tons of rice were collected as tax. 466 tons of milled rice were requisitioned-purchased and 42,400 tons were purchased. This exceeded the plans set by higher echelons (PS 28 Jan 85 p1)
Vientiane Capital	Foodstuffs Corporation goal this season is to collect at least 24,000 tons of rice as tax, requisition-purchase, and exchange for goods. 1983-84 results were 14,640 of which 2,249 tons were taxes. All amounted to 155 percent of the plan. (VM 28 Jan 85 p 1)
Thakhek, Khammouan	Paid 500 tons of rice as taxes. Payments have been completed (PS 26 Jan 85 p1)
Vientiane Province	Yield in paddy was 2.6 tons/hectare. Province was self sufficient in food (26 Jan 85 p 7) (PS)
Bounsai District, Phong Saly	Paid 310 tons of rice as tax (PS 25 Jan 85 p1)

CSO: 4206/87

LAOS

BRIEFS

PURCHASING CO-OP OPERATIONS--The purchasing and exchange co-op in Ban Saphanthong, Pheui Wat Canton, Sisattanak District, Vientiane Capital, is directly under the Sisattanak District Trade Section. This co-op was set up on 16 September 1984. It consists of 22 shares of 1,000 kip each, and 8 members hold jobs, including four women. It is open 7 days a week, serves at least 50 people a day, and on the average puts 10,000 kip into savings. Its detailed task allocation is as follows: four people are in the distribution room that accepts cash, and another four are in the purchasing and exchange room. They have achieved the following: purchased 10 tons of paddy rice; exchanged 40 tons of paddy rice; and purchased 25 tons of forest products. The items that were put out for sales and exchange were clothing, cloth, and items for everyday use and for production. These goods are supplied by the district store. Along with carrying out their main task the trade co-op members were also trained in management and finance three times by the district. This made it possible for everyone to carry out his own task better step by step. [Excerpt] [Vientiane PASASON in Lao 3 Jan 85 p 3] 9884

VIETNAMESE-ASSISTED SCHOOL--In mid-January, a ceremony was held at the Vangviang District secondary school to hand over a new school building, built with Vietnamese financial assistance, to the Lao side. Accepting the building on behalf of the Lao side was (Phianglian Phommachan), while the Vietnamese volunteer forces were represented by (Mo). [Summary] [Vientiane Domestic Service in Lao 0000 GMT 4 Feb 85 BK]

CANADIAN ASSISTANCE GROUP--On 31 January, Boualang Boualapha, member of the party Central Committee and head of the Mass Mobilization and Front Committee of the party Central Committee, received a courtesy call from the delegation of the Canadian organization for assistance to Vietnamese civilians, led by (Ingrid), head of the organization. During the meeting, Boualong Boualapha thanked the Canadian organization assisting the Central Committee of the Lao Women's Union. [Summary] [Vientiane Domestic Service in Lao 0500 GMT 2 Feb 85 BK]

CSO: 4206/96

NEW ZEALAND

LABOR PARTY STRENGTHS, WEAKNESSES ASSESSED

Christchurch THE PRESS in English 11 Jan 85 p 12

[Editorial: "Labour Under Microscope"]

[Text] An assessment of Labour Party strengths and weaknesses, compiled by officials from its own head office, is remarkably candid and probably accurate. The officials' report has been discussed within the party and a summary of it sent to affiliated unions. The officials warn that support for the party is "soft" and that its electoral base is vulnerable. Presumably, the purpose behind circulating the summary is to exhort the party faithful to guard against complacency. The report was compiled originally to present the mood of the electorate accurately to the party chiefs; its real significance is likely to prove to be the realism with which a section of the party, at least, is prepared to judge itself.

The report appears to be in conflict with the view of the Prime Minister, Mr Lange, who has said consistently that last year's General Election was a positive showing for Labour. The officials' assessment is that Labour's win was based more on dissatisfaction with National and the former Prime Minister, Sir Robert Muldoon, than a positive vote for Labour. The party's general secretary, Mr John Wybrow, reinforced this interpretation yesterday when he said that the votes that helped Labour to win the last election "may not necessarily be there in 1987."

Even in this carefully-worded interpretation, Mr Wybrow does little to dispel the self-delusion that has been repeated by many of Labour's Parliamentary wing since the election: namely that Labour carried the country. This is fudging the issue. The officials' report might oblige some of these politicians to acknowledge more openly that their ascent to the Treasury benches owed at least as much to the switch of National voter loyalty to third parties as it did to the appeal of Labour policies. This may not explain the entire switch of voting. Some electors may have been

impressed by the general theme of the Labour campaign to have no qualms about voting for, say, the New Zealand Party. The Labour platform was not strong on specifics, except on a handful of topics. Nevertheless, Labour's performance will be important to these people when they vote next time.

The sobering thought for Labour Party strategists is the vulnerability of the party to any failure of the Government to deliver on the expectations it raised during the election campaign. The deputy Prime Minister, Mr Palmer, in a speech in Nelson that sought to proclaim the party's unity, acknowledged that

the hip pocket is the most sensitive electoral indicator in New Zealand. He allowed, too, that the Government does not have the public's full support for its measures because, he says, the Government is failing to get its message through.

This line is not too far from that adopted by Sir Robert Muldoon whenever he or his Government's policy came in for criticism. On such occasions, Sir Robert was fond of dismissing his detractors with the charge that "they simply did not understand." The Labour Party is having difficulty making some of its traditional supporters understand why a Labour Government has committed itself to financial and economic deregulation and to dismantling trade protectionism in spite of the protests of the union movement. Mr Lange is having difficulty making some of the more vehement of his party's Left understand why anti-nuclear policy is not being swiftly enshrined in law. The Government might never make many people understand — and not just superannuitants — why a categorical assurance on the inviolability of National Superannuation was ignored and a clear election statement reversed.

Recent opinion polls have tended to confirm the opinion expressed in the officials' report that Labour's support would be vulnerable to a change in National's leadership. The report was compiled before Sir Robert was replaced by his deputy, Mr McLay, and opinion polls since then have shown a resurgence in support for the National Party. This would suggest that, without Sir Robert to use as a bugaboo, the Labour Party will have to rely more on its performance to retain voters' support. Some of that support is already ebbing, and voters are watching the Government's actions with an increasingly critical eye.

In the end, however, a great number of voters have a very practical view of a Government's success or failure, its worth or lack of worth. Because the philosophical differences between the main parties are confused, and changing, or to some people imperceptible, the practical results of the Government's management are decisive. After nearly three years, the results of the new Government's performance will seem to many voters much more important than whether the performance matched details of the election platform or details of party philosophy. A sense that the Government's position is precarious will not be misplaced, and it is nothing new.

CSO: 4200/519

NEW ZEALAND

LABOR PARTY AGREES WITH GOVERNMENT ECONOMIC POLICY

Christchurch THE PRESS in English 10 Jan 85 pp 1, 2

[Article by Michael Hannah in Wellington]

[Text]

The Labour Party will not rip itself apart over the Government's economic policies, according to the deputy Prime Minister, Mr Palmer.

Delivering a speech in Nelson on the prospects for 1985, Mr Palmer told local Labour Party members that the Government would be judged on the progress it made in achieving its goals, and not on the ways it achieved those goals.

"That is the point which has escaped those who are

predicting the Labour Party is going to rip itself apart," he said.

"The party is not even going to begin to rip itself apart because there is widespread agreement within the party about where we are going. Debate about how to get there can only help, not hinder," he said.

Mr Palmer said the Government's goals were clearly established — more wealth had to be produced, and it had to be distributed more fairly. He added that a Labour Government would always carry a

special brief for the least privileged in society.

"It will be concerned to improve their standard of living; it will be concerned to provide those with fewest opportunities with jobs, housing, health care and education," he said.

Mr Palmer said that many of the labels used to describe the Government's policies as "non-Labour," "Right-wing," "monetarist" or "more market" were inaccurate, and disguised the real point.

"The real point is that the Labour Party's policies

have been economically orthodox. In the context of the New Zealand economy in recent years, that itself is exceedingly radical, because orthodox policies have hardly been seen here. Thus there is an element of surprise," he said.

Orthodox policies had been used because there were no other viable options available.

"When there is a shortage of water, and what water you do have is running down the sink, you do not conduct a deep ideological debate on the nature and purpose of the sink. You put the plug

in. That is what we did," Mr Palmer said.

He promised the Government would continue to do the same and to do so would be "simple economic common sense."

He said there was a long road ahead for the Government, where it would lack popular acclaim. It would demand much of its citizens, but he argued that the Government did not have the luxury of many options.

"The Government has had to face up to the icy blast of New Zealand's economic reality," he said.

NEW ZEALAND

JONES PRAISES LABOR ECONOMIC POLICY, PREDICTS SPLIT

Wellington THE EVENING POST in English 11 Jan 85 p 2

[Text]

The biggest danger to New Zealand's economic recovery lies in the prospect of a power struggle in the Labour Party over the economic direction of the Minister of Finance, Mr Douglas, and company, says the New Zealand Party leader, Mr Jones.

In his state of the nation address to the Taupo Rotary Club last night, Mr Jones praised the economic policies of the Labour Government.

"The Government has adopted economic freedom as its guiding light and I have not the slightest doubt that this will ultimately restore us to the relative prosperity we once enjoyed."

Mr Jones claimed the economic measures adopted by Labour were "straight plagiarism of the New Zealand Party's economic policy."

However, his party had no complaint. It had been

driven by the desire to restore economic sanity to New Zealand and that was now occurring.

Notwithstanding the short term difficulties, notably with inflation and the government debt, New Zealand was at long last on the road to freedom and prosperity.

Courage

But the biggest danger to this eventuating lay in the prospect of a power struggle in the Labour Party based on the economic direction of the Minister of Finance, Mr Douglas, and company.

"I believe we will witness that division this year and can only hope that the present Labour hierarchy have the courage to stick to their guns."

Mr Jones said there was an intense feeling of bitterness among many traditional conservative supporters who clearly felt their party had been hijacked by a clique of right wing radicals.

In fact, that was not so.

Labour, like National, had been devoid of underlying philosophy for decades now and had been driven by the three "Ps" that motivate all New Zealand politicians — power,

prestige and perks, Mr Jones said.

Members of the New Zealand Party were the exception, he added. They were not motivated by the three Ps — "frankly most of us were already enjoying those things in our everyday lives."

Craven

Mr Jones also attacked what he said was the sheer lack of courage of so many New Zealanders.

"I have noticed some fairly brave journalism of late slamming Muldoon, but always from those who lacked the same courage six months earlier. I was not proud of so many of my fellow New Zealanders' craven behaviour up until July 1984. I am not proud of their 'bravery' now the

battle has been fought and won by others."

Mr Jones also sounded a note of caution saying the new found liberty and its consequential euphoria had led New Zealand to forget the debt crisis.

And by the end of 1985 New Zealand might be facing 20 percent annual inflation, he said. The Government would not be to blame for this, but the Opposition, who were to

blame, would no doubt make much of it.

On unemployment Mr Jones said the Labour Government appeared to be taking an uncharacteristic (for Labour) hard line. "I believe they should get tougher and we will wipe out unemployment in a year," he said.

Mr Jones attacked the Government's nuclear policy saying it was totally irrational, particularly in prohibiting nuclear powered ships.

Nuclear power was testimony to the ingenuity of mankind, he said.

"If the Government had any real courage on this issue it would simply ban all warships, all warplanes and all other elements of militarism — and the best place to start is with our own."

Mr Jones also criticised the proposed goods and service tax saying that while it was commendable in direction, it was questionable in terms of its costs.

NEW ZEALAND

GROUP AGAIN PLEAS FOR ANTINUCLEAR LEGISLATION

Christchurch THE PRESS in English 10 Jan 85 p 5

[Text]

A further plea has been made to the Prime Minister, Mr Lange, for legislation banning nuclear weapons from New Zealand.

Mr Lange announced on Tuesday evening that formal legislation was unnecessary because a New Zealand nuclear-weapons-free zone was already Government policy.

The secretary of the New Zealand Nuclear-free Zone Committee, Mr Larry Ross, said last evening that New Zealand was a target for nuclear war whether it occurred by accident, miscalculation, or madness. In spite of its anti-nuclear pledge, the Lange Government had done nothing to alter this.

The former Prime Minister, Sir Robert Muldoon,

also claimed that legislation was unnecessary for the same reason, said Mr Ross.

"But it was the Muldoon Government that arranged for the Tangimoana nuclear-weapons targeting base, thus opening New Zealand to Soviet nuclear reprisals," he said.

"Contrary to the Prime Minister's statement the Government has not fed the people anti-nuclear cake. We have been choking and starving on recycled sucker tucker from the Muldoon era.

"Once again we ask Mr Lange, politely, to please govern on behalf of New Zealand people and legislate for a New Zealand nuclear-weapons-free zone as he has promised. We want action, not rhetoric," Mr Ross said.

CSO: 4200/519

NEW ZEALAND

LE MONDE VIEWS U.S.-NEW ZEALAND CLASH OVER WARSHIPS

PM071315 Paris LE MONDE in French 7 Feb 85 p 1

[Editorial: "New Zealand's 'Bad Example'"]

[Text] The United States has reacted strongly to New Zealand's refusal to allow American ships which might be carrying nuclear weapons into its ports. It has canceled the naval maneuvers scheduled to take place in the South Pacific next month within the framework of the ANZUS pact, which binds it to Australia and New Zealand. And the State Department has issued a very stern warning to any "allied nation" which might be tempted not to honor its commitments in the security sphere. The threat to make the Wellington government "pay" in one way or another for its inflexibility is scarcely veiled.

The Americans are anxious on two counts. At the regional level, the question is whether the ANZUS pact is still in force. Taken literally, the treaty signed in 1951 does not strictly oblige members of the alliance to open their ports to their partners' warships in any circumstances. However, agreement on this point was implicit and the problem was never raised when the conservatives were in power in New Zealand and Australia. It arose with the advent in power in these two countries of Labor Party leaders whose voters include a considerable proportion of antinuclear campaigners.

New Zealand Prime Minister Lange has just clearly reiterated his pledges on this subject. Mr Hawke, his Australian counterpart, who is due to meet with President Reagan this Thursday, 7 February, has been much more conciliatory toward Washington so far, but he cannot ignore the criticism leveled at him in his country. What value would the ANZUS pact have for the defense of the South Pacific if the two U.S. allies in this region reserve the right to set limits on their military cooperation?

It is also clear that the White House fears the possibility of New Zealand's "bad example" spreading. The problem already exists further north, in Japan, where a broad section of opinion--including conservatives, and despite strong American pressure--remains hostile to greater integration into the overall U.S. strategy, particularly to the acceptance of nuclear weapons on national territory.

But there is also resistance in Europe. Norway and Denmark, which have never wanted foreign troops on their territory, even allied troops, are also

rejecting the deployment of nuclear missiles in peacetime. Belgium and the Netherlands are postponing the deployment of cruise missiles which they agreed in principle to accept. Greece has just rejected the modernization of the American nuclear weapons which it already has.

In this context the New Zealand Labor government's [action] seems to be the last straw. Washington has chosen a firm line in dealing with this latest demonstration of recalcitrance.

CSO: 3519/187

PHILIPPINES

ECONOMIST URGES DEFERMENT OF 1986 ELECTIONS

HK181522 Manila METRO MANILA TIMES in English 18 Feb 85 pp 1, 5

[By Mariam Soraya]

[Text] A vehement critic of American interventionist policies has urged that the 1986 and 1987 elections be deferred on the ground that "this country simply cannot stand another election in the next 3 to 5 years."

Economist Alejandro Lichauco said, "The last election in 1984 virtually pronounced a death sentence on (the economy) even as it pushed the country and the government irretrievably deeper into the embrace of the IMF and colonialist interests."

An immediate post-Marcos elections "will play straight into the hands of Pentagon and CIA which (are) contemplating on outright military government for the Philippines."

Lichauco proposed the immediate composition of a coalition congress that would accommodate the Baasan, the so-called parliament of the streets, the Armed Forces of the Philippines, the New People's Army, The Moro National Liberation Front, and the major political parties including the Partidong Komunistang Philipinas [Philippine Communist Party].

To complete the coalition government, an executive committee shall be set up composed of 15 members representing the politico-military forces comprising the coalition congress.

The executive committee shall serve as the transition government exercising emergency powers. The very composition of the coalition ensures the automatic check and balance on the use of those powers, said Lichauco.

The coalition government shall then sit for 3 years to undertake the following tasks:

1. Draft an anti-colonial constitution to be ratified in a plebiscite.
2. Carry out a 3-year emergency program based on an anti-colonial approach.

3. Prepare the country for general elections under the new anti-colonial constitution.

4. Resolve the Mindanao conflict with the MNLF.

Lichauco said the coalition government would confront the national emergency, the external debt problem, the bases issue, and "the divisive aspects of the colonial problem."

Lichauco said that in the event of the death of Mr Marcos and the ruling party insists on holding an election, "it must be prepared to suffer the full consequences."

He warned of "turmoil and violence" erupting after an election if held within the next 3 years, the exacerbation of the economic crisis, and the "expansionary" role of the U.S.-IMF-WB [World Bank] group in the nation's internal affairs.

The nation, Lichauco added, must embark on a "crash program of survival" under an emergency program to be carried out by the coalition government, pointing out that the country remained "pre-industrial" as it could not even make its own screwdrivers, farm implements, and the basic tools required by industry.

CSO: 4200/551

PHILIPPINES

PAPER VIEWS INTERPLAY OF SANDIGANBAYAN, MARCOS DECREES

HK140615 Manila VERITAS in English 10 Feb 85 p 10

[Article by Barbara Mae Dacanay]

[Text] President Marcos has in the past been repeatedly attacked for issuing presidential decrees capriciously. That may be so, but everyone is agreed that he always has a good reason for issuing such decrees.

Take PD 1952, for instance, which specifically empowered the Sandiganbayan to acquire jurisdiction over the Aquino-Galman murder case. Everyone was aghast and incredulous when it was learned that this anti-graft court, which normally tries erring postal clerks and municipal treasures, had been assigned to conduct what the media are already describing as the most celebrated murder trial in Philippine history.

But Mr Marcos had his own reasons for signing the decree on 4 September last year. In what can only be described as a stunning case of presidential clairvoyance, he foresaw that the Fact-Finding Board would recommend that the 25 members of the military establishment would be held indictable. And, to forestall criticism that the military would, as usual, load the dice in favor of its own people, he made it clear that the trial should be conducted by a civilian court.

Thus, through a bit of presidential legerdemain, PD 1952 was born and the Sandiganbayan was thrust into the limelight.

By this sleight-of-hand, wasn't he in effect superseding another decree he had issued on 4 October, 1982, which provides that military men accused of criminal offenses should be tried by a military tribunal? And if this was so, didn't the Sandiganbayan err when it allowed the commanding officers of the accused to take them into custody on the ground that the superseded decree--PD 1850--empowers them to do so?

PD 1850, according to Lupino A. Lazaro, private prosecutor in the murder case, contained this provision because the president obviously wanted the military to have custody of all officers and men facing criminal charges before military tribunals. But, since before the issuance of the decree there were military men undergoing trial in civilian courts or held in custody by civilian

officials, then there was need for remedial legislation to enable the commanding officers of these men to take them into their custody.

The intent, therefore, was clear: the military should be complete control of the proceedings.

When the president, by issuing PD 1952, removed the double murder case from the jurisdiction of a military tribunal and transferred it to a civilian court, it was also clearly his intention to let the Sandiganbayan assume control of the entire process.

For the Sandiganbayan, therefore, to seek recourse behind a superseded decree and allow Gen Vicente Piccio of the Philippine Air Force and Gen Santiago Barangan of the Presidential Security Command to take custody of their men, is to violate the intent of PD 1952.

All the foregoing is by way of background to the motion for reconsideration that Lazaro filed before the Sandiganbayan Tuesday.

Lazaro told VERITAS that he was aware that the general public had been disenchanted by the obviously orchestrated statements of three civilian officials that their respective jails had no room for the 17 accused who were either held without bail or had been unable to post bail.

These statements, he went on, coupled with the unexpected refusal of the Tanodbayan to oppose the Piccio and Barangan motions, left the Sandiganbayan with no choice but to remand the accused to the custody of their commanding officers. This, despite the fact that there had been earlier reports that Piccio had been so lax in enforcing the confine-to-quarters order of President Marcos that many of the accused had been seen moving about freely at the Manila International Airport.

Lazaro is convinced that the Sandiganbayan order has eroded the people's faith in its willingness or ability to dispense justice in the case.

"Is the Sandiganbayan showing that it has been intimidated by the military?" he asked VERITAS. "Is this an indication that the court has compromised the supremacy of the judiciary and has bowed to the might of the military establishment? Does this mean that the military now can in effect dictate to a collegial court which, by law, is on the same level as the intermediate court of appeals?"

Not content with his series of rhetorical questions, Lazaro pointed to Section 4 of PD 1850 which says that "custody (of the military who are accused) should remain with the military unless the commanding officer desires that they should remain in the custody of the civilian authorities."

There is obviously something anomalous in this, Lazaro pointed out. "Surely this does not mean that Generals Piccio and Barangan can overrule the Sandiganbayan. That would make a mockery of the independence of the judiciary," he declared.

He went on to say that the Sandiganbayan has really no recourse but to set aside Section E of PD 1850 since "it constitutes an infringement on the independence of the judiciary."

Lazaro told VERTIAS he understands why the generals are so eager to keep the accused principals in their custody. "It is to make sure that none of them turns state witness," he asserted. By keeping an eye on all of them, they can be certain that no one violates the all-for-one, one-for-all structure that has been imposed on them, he went on.

"It would seem that the courts have been greatly influenced by the twelve years of martial rule," Lazaro stated. "They seem to have lost the capacity to ask questions."

It is important that his motion for reconsideration be acted upon favorably, Lazaro averred. "Unless this is done, then the soldiers' lips would be permanently sealed and the truth will never emerge."

Lazaro also bewailed the fact that his motion urging the Sandiganbayan to declare all the indicted persons as co-principals in the murder case had been denied.

"As things now stand, because General Fabian Ver has been named simply as an accessory, then, no matter how strong the evidence may be against him--evidence that he had, indeed, known about the conspiracy but had done nothing to stop it, he cannot be charged as a co-principal."

Also charged as an accessory was General Prospero Olivas, Metrocom chief. HERMILO Go Suico, the only civilian implicated in the case, has been charged as an accomplice.

During their arraignment last Friday, the 26 accused all pleaded innocent to the charges filed against them. When they filed into the courtroom dressed in elegant barongs (only Olivas chose to wear his uniform) the gallery jeered. But when Lazaro entered, there were cheers accompanied by frank applause.

Security measures during the trial, it was learned, are going to be extra-tight. Thus, all spectators, including men from the foreign and local media, had to be subjected to a series of body searches before being allowed to go into the small courtroom.

CSO: 4200/533

PHILIPPINES

COLUMNIST ON MRS MARCOS' DRIVE FOR PRESIDENCY

HK141310 Quezon City ANG PAHAYAGANG MALAYA in English 4 Feb 85 p 4

["Now and Then" column by Jose J. Burgos, Sr: "Imelda Starts Political Drive"]

[Text] From all indications, Imelda Romualdez-Marcos has started to campaign for president of this republic, to occupy what has long been her lifelong ambition. Yesterday, Saturday, she went to visit Davao City after the military had taken all steps for her security.

She was scheduled to visit Cebu City late last December, but she had to cancel the trip when the question of security arose. Cebu City perhaps is the most violently opposition-minded metropolis in the country today.

Imelda had, of course, made the statement a few days ago that she would not run for the highest post in the regular 1987 presidential election, but the coming presidential derby will not be held in 1987 but this year because of her husband's deteriorating health.

Moreover, the people are not setting must store by her statements. Right after the 14 May Batasan contest, when the KBL [Kilusang Bagong Lipunan] got a terrific drubbing from the opposition despite the use of billions of pesos and the purchase of the "loyalty" of all barangays, she pledged she would resign all her government posts. True to public expectations, she reneged on her promise.

Imelda is not the best candidate to be put up as the KBL presidential standard bearer, considering her bad public image. But practical political considerations dictate that if her husband cannot anymore run, she must throw her shawl into the ring.

It is she, next to Marcos, who can keep intact the monolithic party that is the Kilusang Bagong Lipunan. Any other KBL bet would splinter the party. The other party leaders like Enrile, Ople, Tolentino, Rono and perhaps Virata would soon go their separate ways.

So, Imelda has to run to preserve the party's unity.

Moreover, this plan would be in keeping with Marcos' intention to create a dynasty to safeguard the family's personal and property interests.

After Davao City, the woman candidate will go on similar visits to other big urban centers. In all these trips, she will play the role of the president, making decisions, distributing government funds for local government projects and assuring everybody that their requests, which cannot be the object of spot decisions, will be considered. She will also be extending liberal assistance to those who have less in life.

The opposition should never make the mistake of under-rating Imelda's candidacy. Through long association with Marcos, during which she has undoubtedly mastered the art of politics of which Marcos is a past master, she has turned into a polished politician. And, as observers point out, she has less scruples than her husband in going after what she wants. In fact, people close to her say, "What Imelda wants, Imelda gets."

If Marcos will still be around when the presidential poll is held, Imelda will be a formidable and dangerous candidate. She will not hesitate to use the entire government machinery, especially the military. Funds will not be a problem; one-half of the government's 1985 budget of P66-billion can be utilized for the campaign. And, most important of all, she will count on the total support and backing of the president who only realizes too well that the campaign will be an "all or nothing" political battle.

CSO: 4200/550

PHILIPPINES

EDITORIAL QUESTIONS MARCOS' ABILITY TO GOVERN

HK150933 Quezon City ANG PAHAYAGANG MALAYA in English 11 Feb 85 p 3

[Editorial: "Is He Still Fit To Govern?"]

[Text] To err is human. But to refuse to admit one's error is egoism, total lack of humility.

The president committed a clear error when he stated last Wednesday that there is no law outlawing the Communist Party of the Philippines because PD 885 he issued in 1976 had amended RA 1700, the anti-subversion act. His grave error came about when he forgot that a 1981 decree, PD 1835, had replaced PD 885 which had restored the illegal status of the Communist Party.

Of course, Mr Marcos, like any to her human being, is capable of committing mistakes, no matter how brilliant he may be.

What we cannot understand is why he obstinately refuses to acknowledge his lapse of memory which is only human.

If he were only an ordinary man, this error would not much matter. But for a president who rules over an entire nation, whose word is law because of Amendment No 6, the commission of a big mistake is ominous. It can easily lead to faulty decisions in matters of grave import to the country.

A mere presidential error may not do much damage in ordinary affairs but when it involves policy, such as Mr Marcos' statement regarding the Communist Party--a statement which must have passed through Malacanang's legal office and the Office of Media Affairs--then that is something else.

Who now knows how many similar mistakes have been committed by the president since he assumed the presidency 20 years ago? How many decrees have been issued based on erroneous thinking or a wrong estimate of the situation? How many instances of injustice have been perpetrated on innocent people just because he did not know what he was doing?

The president is not any ordinary man. He is the chief executive of the state; he wields powers of life and death over the entire Filipino people. He can

mortgage the entire nation, as he did when he authorized the borrowing of \$26-billion which cannot be accounted until now.

For such a serious mistake committed when he announced the Communist Party is no longer illegal, has not Mr Marcos shown he has no more physical and mental capacity to continue to rule over the country?

CSO: 4200/550

PHILIPPINES

SALVADOR LOPEZ ON U.S. SUPPORT FOR MARCOS

HK140525 Manila VERTIAS in English 10 Feb 85 p 8

[Article by Salvador P. Lopez in the "In the Light of Truth" Column: "Will the Americans Come to Liberate President Marcos?"]

[Text] The 40th anniversary of the liberation of Manila on 5 February came and went without the excitement it once aroused in an earlier era or the enthusiasm it should inspire again in future years. The ceremonial observance was limited to a grandstand on the campus of the University of Santo Tomas where American prisoners of war had been confined during the Japanese occupation. Media coverage and the event was low-key. The failure of President and/or Mrs Marcos to make an appearance as expected seemed like a snub. People were generally indifferent.

After only 40 years, why has there been such a pathetic cooling of Filipino sentiment towards such once grandiose historic events as the Battle of Bataan, the Leyte Landing, and the Liberation of Manila? As I tried to explain to Frederick (Fritz) Marquardt, who came for the anniversary observance, the reason is quite simple. During the three years of Japanese occupation, the Filipinos were able to endure every cruelty and humiliation at the hands of the enemy because they knew that on a certain day their sufferings would end. Their American allies were on their way to liberate the Philippines. Today, after 13 years of dictatorial rule no less oppressive and cruel than the Japanese occupation, no similar hope of liberation sustains them. Their American liberators are not rushing from outside to come and destroy the enemy. The Americans have been here all the while, and what's more, they have been giving comfort to the enemy.

There are many who insist that the Filipino people were never liberated--whether on 5 February 1945, on 4 July, 1946--or, for that matter, on 1 May, 1898. They were simply transferred from Spanish, to American and then to Japanese colonial rule, and thereafter to neocolonial domination as complete as the others but rather more subtle than any of them. The Marcos dictatorship is nothing but a species of home-grown colonialism that is infinitely harder to bear because it is imposed by a Filipino like yourself. And because you know he is doing it with the help of your erstwhile American liberators.

The American dilemma is becoming more difficult everyday. It is the classic dilemma between idealism and realism in foreign policy. The idealism springs

from their historic American commitment to freedom and democracy, the twin principles that presided at the birth of the republic in 1776. And the realism is imposed upon them by the status of their country as a superpower which they must sustain no matter what it takes. The chances are that in the final analysis idealism must yield to realism. The Kissinger Doctrine is merely an upgraded version of the Monroe Doctrine. Under it, American interests are now perceived as being co-extensive with the world and, indeed, with the universe. And those interests shall be defended and advanced by every available resource, weapon or strategy--from nuclear battleships to star wars. And, of course, military bases around the globe.

And this is where the American dilemma can become quite acute--if only for a couple of moments. The Philippines, after all, is not Nicaragua, El Salvador or Grenada--small countries in the American backyard; nor is it a country like Libya or Lebanon from which Americans can evacuate without too much loss of power or loss of face, if they have to. In the Philippines are located the two largest and most important military bases outside continental United States which safeguard American interests in a most vital region of the globe. And here is a former American colony which two generations of Americans taught to love freedom and democracy. (This small detail is probably not worth two cents in the bloated currency of American self-interest, but as one product of America's idealistic enterprise here, I thought I should mention it just the same.) This is why the Philippine problem has become so agonizing for many Americans.

The agony has been there for some time, and it is rising. It shows in the spate of speculative stories coming out of Washington about plans to augment military aid to the Marcos regime. With more powerful weapons and a large contingent of American "military advisers," the Communist forces can be put to rout. At the same time, the non-violent political opposition which is opposed to Marcos as well as the military bases shall be put in its place. The United States should now back Marcos all the way.

This is a prescription for disaster. Are the Americans getting ready to fight another Vietnam war? It's a kind of alarmist war-mongering. And you shouldn't believe it until you see large numbers of tanks and guns actually being unloaded accompanied by "military advisers" who have come on a mission to liberate President Marcos--from the Filipino people.

CSO: 4200/533

PHILIPPINES

MARCOS ADDRESSES PHILIPPINE MILITARY ACADEMY ALUMNI

HK170748 Quezon City Maharlika Broadcasting System in English 0555 GMT 17 Feb 85

[Address by President Ferdinand Marcos at the annual fellowship function of the Philippine Military Academy Alumni Association in the ceremonial hall of Malacanang Palace, Manila--live]

[Excerpts] I thank the officers and members of this organization. General (Pativalan), the speaker of the Batasang Pambansa, there is a disagreement as to who in protocol is ahead of the other, the prime minister or the speaker, I will play safe and say that the successor to the president is next in rank [laughter], for purposes only of succession [laughter], in accordance with the Constitution.

I greet the only other minister who is here, who has been inducted into the military class of the Philippines, his grandfather met me in Sorsogon right back in 1944 when I was coming from Mindanao passing through Leyte, Sorsogon, (?some) boundary.

I was always told by my father, who was of course an old politician, when you get into an awkward position, you try and get everybody to laugh about it [laughter] and this is a very awkward situation [laughter], one chief of staff is on leave and the other is acting. [laughter] But they are both good chiefs of staff. [applause] The military vigor [word indistinct], and my comrades, cavaliers, you know I would have walked 100 miles to listen to the introduction today. [laughter, applause] I would have carried more than my share of the equipment, and at the same time given up perhaps all the decorations, no, not all, just some of them [laughter] in order to be able to reach this point where, you listen to an introduction and you know that the man is not kidding. [laughter] Commodore (Ocheco), he is commandant of the Coast Guard, and I support that the [word indistinct] in the navy is not just kidding around, when they say something, they mean it. [laughter] And so that introduction will be put in the museum, I hope they will give me a copy too. And I must say that all my long career as a soldier, a politician, a leader, in the legislature, I have always felt that plaudits given in sincerity is something that you never can buy, and one must therefore wonder whether it is not for plaudits that we really work so hard and risk our lives for the bits of ribbon and metal which they pin on you and tell you to go back and fight all over again.

This is for some time now an annual appointment which is always in the schedule of the president, whatever may be the schedule. So along with the honor of meeting with you today, there is for me the added satisfaction of keeping a tradition unbroken. In a sense this appointment of the president lies in the way of duty, for there are few concerns as important to government as the issues of peace and security, and there are few forums that can rival the counsel of your community on those issues. Yet equally this annual engagement is a matter of personal pleasure for me, for I count in this association many cherished friendships, and among you I have known a sense of fellowship comparable only to [word indistinct] during my days in uniform.

You know, as I get older, I see the qualities of men whom I have to trust, and often wonder what is the quality that most recommends a man. Napoleon once said judgment can never be taught; it is inborn. Part of it is instinct, part of it is the use of experience, and if you lack the unnameable quality which makes your judgment unerringly correct, then you have no judgment, and you cannot be trusted with the command of men. He of course was the master in judgment, he could spot a commander from any distance, and it was said that he kept the roster of troops and he knew where they were assigned at any given time. And he did not need a map to change even the order of, change the deployment of his troops, and this is why flexibility in maneuver was his masterpiece.

But it would be wonderful if we could spend the afternoon together in unaffected renewal, because as I move further toward autumn in my life, I note that whatever the qualities that a man may have, there is always a crisis in life wherein all those qualities will mean nothing if he lacks spiritual and physical courage. When he can no longer stand up all alone against his enemies, receive the wounds and not cry out loud, when he can dare even his most critical enemy to fling all his insults, and when he can stand there and not lose his equanimity and stamina, and instead above all his raging torment and storm in crisis he leads his people and his men, however weak or strong they may be, into salvation, and in so doing, he risks everything, who was, what poet was it who says, to be a man, you must be able to cast your life and your honor and everything into one single throw, and not count costs. [sentence as heard] So when your model starts out with the inclusion and those serene and basic qualities, I have no doubt that it has been followed very well. It includes loyalty, integrity, and courage.

Yes, I would a renewal [as heard] of this camaraderie and friendship, fellowship we also need today at a time of questioning and challenge to the nation's peace and security situation, and for the military forces to their task to defend our republic. And we should not dispense with the opportunity to examine the situation together, look at the problems in the face and [words indistinct] indispensable role which our armed forces serve in our democracy.

For there is a paradox always, both in internal security as well as in external security, which states that he who seeks peace must prepare for war. A paradox because who would imagine that in order that you may maintain peace,

you have to know how to make war. This is true in the internal situation and true in the external situation. I know there are those among you, like me, who are disturbed by these hysterical voices who appear bent on discrediting the entire military in the eyes of our people on the basis of certain indictments preferred against some men in uniform, let's say for example in the Aquino case. I know that many of our officers and soldiers are pained by the chorus of criticism against our soldiers, at a time when many of our men in uniform are dying in the fight against subversion and insurgency in our land, dying, bleeding, hemorrhaging quietly in some unknown spot, unheeded.

Let us, however, be clear about the real problems that we must deal with, and let us not be deceived by issues that are political in character and mainly designed to sap military morale and unity. For plainly it seems to me that there are groups who are hitting our military establishment in the hope of destabilizing or weakening the government. On the other hand, there are real problems to attend to, and these are the problems that you and I must confront. They have broad implications for the success of our entire government, our democracy. Is it not specific to our entire counterinsurgency effort and the strengthening of our armed forces as an institution for stability in our country, and therefore it must certainly be undertaken to counter the indiscriminate and inflammatory propaganda being waged against the armed forces. We must question unsubstantiated charges being circulated.

I was shocked when a well-known columnist and television personality referred to the question of arrests without reason by both the police and the military constabulary, and then asked, when one of the military men who was being interrogated, or rather, included in the panelists' question, and he said they are arrested only when they commit overt acts which are punishable, under the law, and the commentator said, and what are overt acts? I would have imagined that the commentator would have been the last to ask such a question. And whenever possible we should challenge the detractors to produce proof so that the AFP [Armed Forces of the Philippines] can investigate and punish, in indeed, violations of fact.

Torture, for instance. Why is it that when all these prisoners were being interrogated and questioned by our doctors, including civilian doctors, they had no complaints about torture, and then when Amnesty International came in here, all of a sudden in one chorus more than 70 of them talked about torture?

The disappearance of, with your permission [words indistinct], the disappearance of a priest and a nun was blamed on the military. Where were they found? They were found in Germany, living together. I don't think the military would have gone to any expense to get them to live together [laughter], that's the worst form of torture, I guess. [laughter]

But I point to all of this because while we can tolerate all kinds of mischievous, childish mischievousness, I think we should for the purpose of establishing a basis for our future writings find the truth. It is not the critical problem however, [words indistinct], that we can push aside. Rather the critical issue that requires priority attention relates to other problems that exist internal to our organization, problems about personnel, equipment,

well-being, morale, training, combat-readiness, discipline, psychological stability. We have to look more closely into the core of values that underlines our military organization and the way that this is being inculcated, passed to every man who comes to don a uniform and serves the (?flag).

Increasingly we have discovered evidences of personal psychological dis-orientation affecting some of our men who are in the thick of our counter-insurgency effort. They move for long intervals into remote areas of the archipelago, without any contact with the more pleasing aspects of our society including their families and their friends. These men feel lost, disoriented, in the same manner that so many Americans felt so during the Vietnam War. And more often than not, the R&R programs designed to revive them are no longer enough. So what has been eroded in the process is no less than the anchor of our national values, cultural values, and the inner values of each and every man who takes the pledge of loyalty to the flag, and that had made soldiering and serving the flag so meaningful, so important.

The psychological problems of men in uniform are more often than not the basis of the occasional demonstration of discipline [as heard] and abuse in our armed forces. They underline the various sorry and violent incidents that show how otherwise able soldiers become detrimental to the good of the cause. Of course, many of our soldiers don't understand combat fatigue. They don't understand psychological disorientation. How can they apply, let's say, the values of hand-to-hand fighting if they return suddenly to society in which refinements of conduct are placed at priority unless they meekly receive the placating influence of family, wives, sweethearts, children. We have for some time now been concerned about this problem, and a full program to correct it has since been adopted. As constituted at present, this program to strengthen the morale of our military personnel and to check military abuses involves the following:

1. [Number as heard] On the disciplinary level, we provide for administrative punishment that may range from suspension to dismissal from the service. I believe that this was signed only a few months ago. In cases where trial is necessary, court martial and effective court martial processes are provided. On the more positive side of recharging as it were, our men in uniform, we have embarked on a massive retraining program for AFP personnel. There are now seven retraining grounds in various parts of the country, five of them in Mindanao. Likewise we have set up in places refresher courses for all ranks, especially all unit commanders and squad leaders. Internal reforms have been instituted in relation to troop information, troop recreation, and sports.

Finally we have attended to the need to improve personal and unit equipment for our men in uniform. It is significant in the most recent reports about the government efforts against insurgents and rebel elements, there are marked evidences of a positive improvement taking place in the conduct of our soldiers. More and more we are buoyed up by the signs of new vigor in our anti-insurgency effort, and leadership too is matching the gains being made by the rank and file.

The broader implication of what I am saying here is that in the contemporary problems of peace and security being faced by many developing countries, we are all in fact doing battle in a new front. The challenges of insurgency and guerrilla warfare heavily decode the formulas, the ratios, the rules that in an earlier time were learned in military school as well as in combat. It was the shock of this messy kind of war that unhinged the American war effort first in Korea, next in Vietnam. It is this that can easily unmoor a country if it cannot find in time the way to deal with the challenge of insurgency.

For ourselves we can surely say this, that four full decades of continued confrontation with an armed communist insurgency, we as a nation have demonstrated perhaps more than any other nation in Asia our capability to deal with this international menace. We are probably the only Asian country to wage successfully a countryside war against the communists without the aid of foreign troops. Now there are very few people who seem to realize this, especially our civilian population, but look all around. Every country that has fought communists has always sought foreign troops. We are distinguished by our success in decimating, from time to time, the highest echelons of leadership in the Communist Party. How many times have we captured and eliminated their leadership? Twice this has already been the case. Back in the '50's, when we first halted the communist challenge, 1954, you will remember, the entire Central Committee was captured. And again in the '70's, in fact I think from 1980 to 1984 [as received], we took into custody among other about 190 of their leaders, among them the organizer and leader of the new Communist Party of the Philippines, organized in Tarlac in December 1978, Jose Maria Sison, and the NPA chief Bernabe Buscayno, alias Commander Dante, who organized the NPA, also in Tarlac, when he left Commander Simulong in March 1979.

And we are the only country to openly state that we will not allow foreign troops to fight in our internal wars, and we shall fully maintain a policy of nonintervention in our armed forces and civil government, nonintervention, that is, of foreign countries.

In 1972 and 1973, when we were engaged in two fronts, one in Luzon, where we were fighting, where our regular troops were fighting the communists, the NPA, and the second front was suddenly the MNLF, thinking that it could catch us unprepared; organized in a foreign country, trained in a foreign country, armed in a foreign country, it started the rebellion of secession in Mindanao. What was the estimated strength of the Moro National Liberation Movement? Anywhere from 20,000 to 30,000. That's quite a sizeable army. We were hard pressed for time, but our regulars could not be pulled out of Luzon, and so the police and the CHDF [Civilian Home Defense Force], the reservists, had to attend to Mindanao in the meantime.

Now this brings us to one of the questions I was asked one time: If you were that hard pressed, this (?fellow) asked me, why did you not invoke the mutual defense pact with the United States? And I said, because after assessing the situation we realized that if we did we might invite a Vietnam-style of war where there would be certainly substantial reason for some of

the superpowers to take an active interest in our internal affairs. Then your medicine would have been worse than the ailment.

Yes, resorting to assistance from foreign forces is something that we have always avoided. Under the Mutual Defense Treaty, perhaps we could have, but in fairness to everybody, all the persons who ever suggested this, although it was one of the scenarios that were being studied inasmuch as the MNLF seemed to be well-armed, they were increasing in number. I remember going to Cotabato City, it was protected by only 300 PC [Philippine Constabulary] and police, and the hills around Cotabato City, which you know about, were manned by the enemy numbering about 3,000. I remember that we went through the, should we say, almost funny operations, landing all our planes without any passengers a hundred times, while the enemy was counting the number of planes coming in as reinforcements. They aborted, they called off the attack on Cotabato City.

Yes, we decided to do it alone, believing that we must never invite onto our soil a Vietnam-type of war situation. We succeeded, trusting to our arms and our soldiery alone. What it comes down to finally is that we have an armed force that is steeped in the tradition of self-reliance, in the tradition of service to people, and to the country. That tradition which stems from our oldest forebearer at the time of the coming of the Westerners, Lapulapu, standing up on the shore of Bohol and cutting down Magellan, suspected to have been abandoned by his second in command.

That tradition handed down for centuries of fighting foreign troops on our soil, rebellion after rebellion, and almost a history of daily rebellion against the foreign invaders, the tradition that leads a Gregorio del Pilar to fight to ultimate destruction for the protection of his commander in chief, a tradition which was carried in the bloody fields like Bataan, Corregidor, a tradition I believe which will live on as soldiers, for without them we would be mere shadows of our warrior fathers.

So we take the effort to preserve and hand it down from one generation to another. And we point to it with pride. We have institutions like the Philippine Military Academy to ensure that this cause will endure and never die.

In the pages of the philosopher Plato, we find the words for the soldiers that I think best describes this tradition, and I quote him: When a man has once taken up his stand and commits himself to soldiery, is it because it seems best to him or in obedience to orders? There I believe he is bound to remain and face the dangers, taking no account of death or anything else before this honor. It takes courage, my comrades, as you know, to stand up to be dishonored more than to die, for honor certainly is more valuable than life itself.

There is a standard which in ages past and present has always distinguished the profession of arms. That is the standard which exalts the long and proud history of [words indistinct]. I am confident it will be a standard and tradition that will be kept well by this oncoming generation and all generations to come. Thank you and good day.

CSO: 4200/553

PHILIPPINES

STUDENTS DEMONSTRATE AGAINST U.S. 'INTERVENTION'

HK141150 Quezon City ANG PAHAYACANG MALAYA in English 5 Feb 85 p 3

[Text] Angeles City--Militant students took turns in denouncing what they called "American intervention" in the Philippine educational system as they staged a picket in front of the regional office of the United States Agency for International Development (USAID) here last Thursday.

The students scored the World Bank and the International Monetary Fund, two U.S.-controlled lending institutions, for their continued grip on the Philippine economy, charging them to furthering American interests through indirect intervention in the Philippine educational system.

The students said that the WB-IMF tandem has prodded the Marcos government in implementing the National College Entrance Examinations (NCEE) scheme. Under such program, the percentage of high school graduates who would enter college or take up technical or vocational courses is determined.

They noted that more and more Filipinos are forced to take technical courses with the subsequent increase in the NCEE passing mark.

"Such only serves interests of foreign corporations which take advantage of the country's chief but highly skilled labor force," the students said in a statement.

The students also tackled what they called "the real role American aid to the Marcos regime plays in curtailing the legitimate dissent of the Filipino people."

More than 70 members of the League of Filipino Students and the Pampanga Student Alliance from various learning institutions in the city participated in the mass action, the first one to be held here this year.

The group first assembled at the Chevalier School grounds in Sto. Domingo at around 3 p.m. before marching towards the Nepo Mart Complex where a program was held.

No untoward incident was reported as organizers managed to secure a permit from local authorities. The protestors peacefully dispersed at around 5 p.m. after burning an American flag.

CSO: 4200/533

PHILIPPINES

DEFENSE MINISTER ON CAUSES OF NPA GROWTH

HK131545 Manila BUSINESS DAY in English 13 Feb 85 p 19

[Text] Defense Minister Juan Ponce Enrile yesterday attributed the growth of the New People's Army to the liberalization of strictures in society, including the freedoms of expression, movement and speech to a degree greater than was allowed by government during martial law, coupled with the economic dislocation which has brought unhappiness to many.

Enrile, interpellated by MP Homobono [Mindanao Alliance]--Misamis Oriental-- at the Batasan yesterday, estimated that the NPA has 8,000 to 9,000 regulars versus 25,000 claimed by the NPA in several published statements.

According to Enrile, the NPA presence is more or less divided equally among Luzon, Visayas and Mindanao. "They (the NPA) are a highly politicized and disciplined group which has succeeded within a short period of time in swaying a large number of the populace to their side and if there is no counter effort to handle the political warfare that (the NPA) has waged against the state, the insurgency in the country will come to critical proportions," Enrile said.

The defense minister called the NPA a "very dangerous adversary which uses deception and violence to advance its revolution." He said the NPA, along with the Communist Party of the Philippines, poses a very serious threat to national security, although the Armed Forces have been able to contain the military aspect of this threat. Enrile pointed out that the greater problem is that posed by the insurgents on the ideological plane.

Enrile said no arms aid from any foreign government including the United States is given to the Philippine Government to counteract the armed assaults of the insurgents.

However, he explained that as part of the compensation package of the RP-U.S. military bases agreement, a certain amount is allocated for military purposes. For the period 1985-1989, this component is \$425-million broken down into \$125-million in military assistance and \$300-million in foreign military sales credit.

Furthermore, local soldiers are trained in the United States as part of the International Military Education and Training Program (IMETP) and the Foreign Military Sales Program (FMSP), he said.

Likewise, as a mutual undertaking, Philippine military personnel are also trained in Great Britain, Australia, New Zealand, Indonesia, Malaysia, Spain, West Germany, Thailand, Japan, India, and other allied nations as part of their respective defense cooperation program (DCP) on a cost sharing basis.

"Our participation in foreign military training program is intended to strengthen our indigenous experience in security and law enforcement functions," he said.

CSO: 4200/533

PHILIPPINES

GOVERNMENT DOCUMENT ASSESSES JAPAN-ASEAN RELATIONS

HK181502 Manila METRO MANILA TIMES in English 18 Feb 85 p 12

[Resty Perez]

[Text] An official document prepared by the Philippine Government states that Japan "largely ignored" the economic interests of the Association of Southeast Asian Nations (ASEAN).

The document, an assessment of ASEAN-Japan relations, said: "Although Japan has announced new market opening measures in the first half of 1984, ASEAN noted that there has been no substantial improvement.

"These measures do not meet ASEAN's interests, which have been largely ignored."

"Whatever 'concessions' have been extended to ASEAN could be said more symbolic than substantial."

For example, it said Japan's recent decision increasing by 50 percent the import "ceiling quotas" under Japan's GSP (generalized systems of preferences) left out many products which could favor ASEAN but which Japan considered "sensitive." Also, the paper stated, "ASEAN's request for inclusion of products not yet incorporated in this scheme (GSP) as well as requests for deeper tariff cuts were not taken into account."

Finally, the paper said the "concessions on tariffs given by Japan have benefited largely the developed countries and actually reduced the preferential margin for many products from developing countries under the Japanese GSP."

The paper said Japan's response to ASEAN's request for greater access to the Japanese market had been "far from satisfactory."

At the same time, the paper said, ASEAN as a group enjoys a trade surplus over Japan although the Philippines has been experiencing trade deficits with Japan.

The ASEAN surplus comes mainly from its crude oil and natural gas exports to Japan. ASEAN manufactures, on the other hand, comprise only a "negligible" 6 percent of total ASEAN exports to Japan, the paper said.

ASEAN wanted more Japanese investments to come into the region but the Japanese Government maintained that its "investments in the ASEAN region are largely the function of its private investors."

Among the areas where Japanese investments could be of help are in ASEAN's regional and individual projects.

CSO: 4200/551

PHILIPPINES

PROFESSOR ON DRAWBACKS TO 1935 CONSTITUTION

HK150949 Quezon City ANG PAHAYAGANG MALAYA in English 11 Feb 85 pp 1, 2

[Text] A return to the 1935 Constitution may not be as welcome as some opposition lawyers would want to make it sound.

The 1935 Constitution "curtailed and disabled," rather than upheld Philippine sovereignty, according to a noted law professor.

University of the Philippines law Professor Perfecto V. Fernandez said the 1935 Constitution was "so impregnated with overriding norms of U.S. federal law as to be more expressive of continuing American sovereignty than of Philippine independence."

Fernandez made the statement in a lecture delivered during the 25th anniversary commemorating the 1935 constitution the other day.

In his lecture, Fernandez said the 1935 constitution was promulgated with "crucial and decisive" American participation.

The Philippines, he said, merely collaborated in the making of the 1935 Constitution.

As a result, the country's political and economic sovereignty were curtailed in favor of American interests, Fernandez said.

He pointed out that the country is not politically sovereign because of two obstacles brought about by the 1935 Constitution.

These are:

--The overwhelming strength of U.S. military forces in the country as compared to the strength of the Philippine armed forces.

--And the "massive influence and effective" control of the U.S. Government on the country's armed forces resulting from one-sided laws and treaties between the Philippines and the U.S.

On the matter of sovereignty, Fernandez explained that a country is not really sovereign if it allows another country to maintain "uncontested physical power" within its territory.

He said the "magnitude of the U.S. Armed Forces and their facilities in the country deprives the Philippines of sovereignty."

Unknown to many, the U.S. maintains at least 17 other bases aside from the popular Clark Air Base in Pampanga, Subic Naval Base in Olongapo, Camp John Hay in Baguio, and Camp Wallace in San Fernando, La Union.

The obscure American bases and military facilities are Fort Stotsenberg in Pampanga, Mariveles Military Reservation in Bataan, U.S. Army Communications System at the Port of Manila, Angeles General Depot in Pampanga, the Leyte-Samar U.S. Naval Base, Tawi-Tawi Naval Anchorage, Canacao U.S. Navy Base in Cavite, Bago-Bantay Transmitter Area in Quezon City, Tarumpitao Point in Palawan, U.S. Coast Guard Facilities in Talampulan Island, Palawan, Naule Point in Zambales, Castillejos Coast Guard facilities in Zambales; Mactan Island U.S. Army and Navy Base, Floridablanca Air Base in Pampanga, Puerto Princesa Army and Navy Air Base in Palawan, Tawi-tawi U.S. Naval Base, and Aparri U.S. Naval and Air Base.

Fernandez traced the root of U.S. military might in the country to a provision in the 1935 Constitution recognizing the right of the U.S. to expropriate Philippine property and to maintain military and other reservations.

On economic sovereignty, Fernandez said the curtailment on Philippine control over its economic affairs is imposed on areas of great economic significance.

He said special trade preferences were given to the U.S. and special rights were accorded to American-owned companies.

Fernandez pointed out that in the area of national patrimony and natural resources, U.S. federal legislation mandated recognition and protection by the Philippine Constitution of special rights in favor of foreigners and their companies.

The 1935 Constitution, Fernandez maintained, looked "promising" but in reality, it paved the way for the country's continued "tutelage and dependence" on the U.S.

CSO: 4200/550

PHILIPPINES

SEC OFFICIAL ON FINANCE COMPANIES' IRREGULARITIES

HK180809 Manila METRO MANILA TIMES in English 15 Feb 85 p 10

[By Ed Malay]

[Text] About P [pesos] 1 billion or \$50 million based on the prevailing exchange rate of P20 to \$1 last year had been salted abroad by the owners and top corporate executives of at least 12 local financing firms which went bankrupt and were placed under the management of receivers by the Securities and Exchange Commission (SEC).

This was the estimate given by a ranking SEC official who told BUSINESS TIMES that the irregularities, management and fraudulent transactions perpetrated by the owners and officers of these bankrupt firms were more massive than what the agency originally expected.

The final reports of the receivers indicated that there was rampant misuse of the funds that were borrowed from the public.

In his own words, the SEC official said: "Never have I seen such corruption in the private sector in the magnitude of what the local financing companies committed."

Of the 382 registered financing companies operating throughout the country, 173 have been delisted or stricken off the records of the commission for various violations of the Revised Securities Act. Of those delisted, 12 have been placed under receivership by the agency.

These were: First United Investment and Finance Corporation (FUIFC); Capital Funding and Resources Corporation; Finasia Investments and Finance Corp; Admiral Investments and Finance Corp; Premiere Financing Corp; Trans Consortium Finance Corp; Filcor Finance Corp; Omnibus Financing Corp; Wall Street Finance Corp; Pan Orient Finance Corp; Loans and Credit Development Corp; Lead Capital, Inc.

Of these firms, Finasia, Admiral, Premiere and Omnibus had obtained the biggest amounts from the money market. The liabilities of these four firms alone have been placed at more than P1 billion.

The final report submitted by PCI Management Consultants, Inc which acted as receiver for Premiere, revealed a web of corporate corruption perpetrated by Premiere's officers surpassing the irregularities committed in the celebrated Philfinance case.

Practically all the owners and top corporate officers of the bankrupt financing firms are now abroad. Notable among them are Jaime Carino and his brother-in-law Jose Cabaccan of Premiere; Fulvio Magpayo Jr of Omnibus and Wall Street Finance; William Samson and Raul Nicolas of Lead Capital, Inc; Peter Sy of First United Investments; Narcisco Cosio of Trans Consortium; Celso de Los Angeles of the Synergy Group of Companies.

CSO: 4200/551

PHILIPPINES

WORLD BANK SEES NEGATIVE GROWTH FOR MANUFACTURING SECTOR

HK131539 Manila BULLETIN TODAY in English 13 Feb 85 Business Bulletin Supplement p 1

[Text] Real growth rates for the manufacturing sector under the economic adjustment and stabilization program period of the government are forecast by the World Bank to average at minus one percent during the period 1984 to 1986.

The projections for the sector are based on the "high case" growth scenario of 4.0 percent average annual growth in GDP (gross domestic product) for the country during the next five years.

It said that the manufacturing sector will bear most of the burden of the adjustment process when balance of payments constraints will continue to impinge on its performance.

While growth of domestic-oriented industries would be negative during the period, it is likely that export-oriented industries would compensate for most of that loss, the bank said.

Non-traditional exports could be expected to grow at an average of 4.0 percent annually and net export earnings would become increasingly larger as import dependence of this subsector will have been lessened.

Beginning 1987, the structural improvements in the manufacturing sector might allow a growth rate of six percent a year, reflecting a successful restructuring of the domestic-oriented industries and high growth of non-traditional industries of close to 9.0 percent per annum.

The WB [World Bank] said that if the implementation of the industrial policies during the adjustment period is less successful, inefficient production and high import dependence would increasingly constrain the growth of the sector.

In a "low case" growth scenario (averaging one percent a year for the next five years), the structural problems would keep manufacturing a "net burden" on the balance of payments and will limit the sector contribution to employment.

Growth during the 1984-1986 period would be negative; export manufacturers might still grow at 5.0 percent annually but would require larger counterflow of imported inputs which would diminish their net foreign exchange earnings. Sectoral growth thereafter would be limited to 3.0 percent a year, a rate which would depress overall economic growth.

The bank noted that one short-term negative impact of the stabilization policies launched by the government which was heightened by lack of confidence in these policies as well as on prospects of the economy has been a severe reduction in industrial development.

CSO: 4200/533

PHILIPPINES

GOVERNMENT FAILS TO PAY INTERNATIONAL EDUCATION BODY CONTRIBUTION

HK131551 Manila BUSINESS DAY in English 13 Feb 85 p 18

[Text] The Philippines failed to remit some \$116,550 in obligatory contributions to the Southeast Asian Ministers of Education Organization (SEAMEO) this year.

The Philippines, Laos and Kampuchea did not meet their financial commitments to the eight-member intra-governmental organization.

A SEAMEO Secretariat report presented during the recently concluded 20th Conference of the Southeast Asian Ministers of Education Council held at the Manila Hotel, indicated that the Philippines was supposed to shoulder 22 percent of the SEAMEO budget for 1983-84 of \$517,085. The release of the monetary contribution had been divided into two phases: \$58,275 for the first half of the fiscal year and \$55,302 beginning January 1984, for a total of \$113,550. This amount has not yet been completely remitted, said the secretariat. [Words indistinct] this amount, however, the Philippines also has to remit \$2,973 in outstanding obligations last year. Bringing the total of unfulfilled contributions to [figure indistinct].

The Philippine delegation at the SEAMEO conference assured the council that "every effort would be made to accelerate the remittance of the funds."

Adul Wichienchroen, director of the SEAMEO Secretariat, expressed his "deepest appreciation" to this assurance. "As a matter of fact, several amounts had been received over the last two months, thus considerably reducing the outstanding amount," Wichienchroen said.

The actual remittances were not disclosed however.

SEAMEO derives its funds mainly from contributions from its member states. The money is used to support the capital and operational costs of the secretariat, SEAMEO's five regional centers and two regional projects and as contributions to the SEAMEO Educational Development Fund (SEDF).

Each member country's share of the annual recurring costs is determined in accordance with an agreed set of "contribution indices," the secretariat said. These indices were approved by the council only last January 1983 during the 18th SEAMEO conference in Malaysia.

The respective contribution indices of the member-countries are: Brunei, 3.94 percent; Indonesia, 25 percent; Kampuchea, .82 percent; Laos, .22 percent; Malaysia, 19.51 percent; Philippines, 21.39 percent; Singapore 8.8 percent; Thailand, 20.28 percent. Thailand also made an additional contribution of \$21,588 last year "over and above" its regular contribution of \$52,432.

When asked why the Philippines had to shoulder such a large percentage contribution, education officials said it was probably because the Philippines was hosting two SEAMEO regional centers--the Regional Center for Educational Innovation and Technology (INNOTECH) located in Diliman and the Regional Center for Graduate Study and Research in Agriculture in UP [University of the Philippines] Los Banos. The country is also involved in the two regional projects of the organization by having its sub-centers for the SEAMEO Project in Archaeology and Fine Arts and the SEAMEO Tropical Medicine and Public Health Project.

SEAMEO sources told BUSINESS DAY that the tight financial crisis of the country led to its failure to remit the contributions. "But it has been appropriated in the national budget under the international commitment fund," the same sources said. "The problem is, it has not been released."

The source added that the successive devaluations of the peso during the past months affected the country's ability to get the necessary foreign exchange required of the contributions. "The government couldn't buy as much dollars as it wanted," the source added.

In a related development, conference participants noted that activities of SEAMEO and the Association of Southeast Asian Nations appear to be overlapping. Because of this, a competition for use of manpower resources, which is already scarce in the region might arise, they said.

CSO: 4200/533

PHILIPPINES

SATELLITE USE FOR COUNTERINSURGENCY REPORTED

HK190903 Davao City PEOPLE'S DAILY FORUM in English 1 Feb 85 pp 1, 7

[By Ibon [bird] features [semireligious group specializing in economic features]--dated 15 December 1984]

[Text] Anybody who watches television surely has heard of "Domsat." It's a nickname for "domestic satellite"--those sophisticated high-tech gadgets sent up in space to enable live nationwide simulcast of special events on television and radio. But not everybody knows Domsat is also used for counter-insurgency.

One of the 11 Domsat earth stations strategically located within the Philippine archipelago is a highly mobile unit that can be loaded onto a helicopter to allow instant radio communication with any military troop engaged in fighting Moro National Liberation Front or New People's Army guerrillas.

This plus other improvements in our Telernyne and satellite communication system are products of the Philippine Government's agreements with the U.S.'s International Telephone and Telegraph Communication and Japan's Nippon Electric to primarily serve the needs of TNCs [transnational corporations] and the U.S. military, and to fight the local revolutionary movement.

Recently, President Marcos set up the Philippine Overseas Telecommunication Corporation. Although headed by Roberto Benedicto, a close friend of the president, it is managed by a handful of American and Canadian corporate executives and American military commanders.

Meanwhile, 10 Philippine armed forces officers and enlistees have been trained by Rockwell International in the use of digital equipment for the Mindanao Microwave System, an electronic switching facility.

Last year, Nippon Electric and Siamens Corporation provided \$30 million and \$70 million respectively, for improved telecommunications. These should have directly benefited local telephone users. Where do we find the improvements? Well, for one, we now have a counterinsurgency via Domsat.

CSO: 4200/548

PHILIPPINES

REPORTAGE ON MANILA HOTEL FIRE, INVESTIGATION

Investigation Continues

HK150508 Quezon City Maharlika Broadcasting System in English 0400 GMT
15 Feb 85

[Text] Two more bodies were extracted this morning from the burned Regent of Manila in Pasay City. This brought to 29 the total number of confirmed dead from the blaze. Police Major Manuel Inocentes said the two bodies remain unidentified but he said one of them was an American. He said the two bodies were found in the hotel's sixth floor.

Inocentes said firemen are now conducting a mopping-up operation in search of more bodies believed trapped inside the hotel. He said firemen are encountering difficulties in entering the hotel's top floors because of lack of passageway. He said that the firemen found the hotel's fire exit doors closed. Inocentes said that the padlocking of the fire exit doors was another indication that the fire was the handiwork of professional arsonists. He also confirmed reports that the hotel's telephones, water, and power systems did not function when the fire broke out around 12:30 am on Wednesday.

Southern Police District Chief Ruben Escarcha said they are looking for evidence of arson: [Escarcha recording indistinct].

Investigations are also being conducted into reports that subversives were behind the hotel fire. The hotel employees were reportedly poised to strike on Wednesday morning to demand wage increases and allowances from the management.

Acting [words indistinct] Natividad said subversives might have infiltrated the workers group:

[Begin Natividad recording] We have received information that the employees union had been infiltrated and this is the reason why we are looking into the arson angle in the case. [End recording]

Probers Say Lines Cut 'Deliberately'

HK181244 Quezon City Maharlika Broadcasting System in English 1100 GMT 18 Feb 85

[Text] Arson probers of the Regent Hotel fire have discovered that communications and electrical lines at the second and ninth floors of the hotel were deliberately cut. The discovery was made by a six-man team from the constabulary crime laboratory, including a Japanese arson expert.

The investigation into the cause of the fire started last Saturday. The probers gave particular attention to reports that the National Union of Hotels and Restaurants were scheduled to meet at the hotel's convention hall. They were [words indistinct] of a strike against the Regent Hotel management. Some union officials were said to be closely identified with the military Kilusang Mayo Uno [May 1 Movement] organization.

As of noon today, the number of fatalities stood at 25, five of them hotel employees, three guests including two sisters, and 17 foreigners.

Labor Union Leaders Sought

HK160029 Manila Far East Broadcasting Company in English 2300 GMT 15 Feb 85

[Text] Three leaders of the labor union at the burned-out Regent of Manila Hotel are being sought by police in connection with the fire that killed 26 people. The hunt for the three labor leaders was launched after hotel security officers said the three were acting suspiciously during a crucial meeting with the management last Wednesday before the fire broke out. The officers identified one of the union leaders as (Simeon Marcelino). The wanted men are officials of the National Union of Workers in Hotels, Restaurants, and Allied Industries.

Authorities suspect arson in the fire and link the subversive movement to it. A news agency in Manila also received a note from a group calling itself the Angels, which claimed responsibility for the fire, saying it was a protest against U.S.-Japan support for the Philippine Government.

Meanwhile, the 11-story Regent of Manila was still burning last night [15 February], 3 days after the fire broke out last Wednesday. Intense heat and winds from Manila Bay kept fanning the flames back, hampering efforts by firemen to put out the blaze. To intensify firefighting efforts, Metropolitan Command Chief Victor Natividad placed all firemen battling the blaze under the overall supervision of Southern Police Deputy Chief Colonel Levi Macasiano.

Union, CPP Deny Role

HK160450 Hong Kong AFP in English 0442 GMT 16 Feb 85

[Excerpts] Manila, 16 Feb (AFP)--A fire was still raging early today in a luxury hotel here more than 3 days after it broke out, killing at least 27 people, as firefighting operations were halted by a lack of water.

Union members of the government-owned hotel today publicly denied any involvement in the blaze, not estimated by police to have caused 700 million pesos (35 million dollars) in damages. "We vehemently deny alleged reports that subversives have infiltrated the employees' union of the hotel. Such allegation is a worn-out tactic deliberately hurled against unions," the union said in a statement.

Metropolitan Manila police chief Brigadier-General Victor Natividad had said Thursday that police were looking into reports that "subversives" had infiltrated the hotel labor union. The banned Communist Party of the Philippines [CPP] Thursday said they had nothing to do with the fire in a statement read to news agencies. The union said that "while the union intended to launch a strike over the management's termination of two union members...no specific date for the strike was set." It said the blaze "was the work of professional arsonists" and that it had rendered 600 people who worked in the hotel unemployed.

Tourism Leaders Rap 'Economic Sabotage'

HK160231 Quezon City Maharlika Broadcasting System in English 0200 GMT
16 Feb 85

[Text] Tourism industry leaders have expressed determination to fight those who seek to cripple the industry and the national economy as a whole. (Aurelio Palillo) of the Tourism Organization of the Philippines, said that the rash of fires which has hit the country, particularly in the Metro Manila area, is part of an economic sabotage plan. He explained that people behind these hotel fires knew very well that the tourism industry is one of the biggest dollars earners of the country. Mr (Palillo) added that the tourism industry has been picking up since the last quarter of last year. He also disclosed that other local hotels have received warning calls.

Paper Reminds Public of 'Other' Terrorist Groups

HK190401 Manila TIMES JOURNAL in English 17 Feb 85 p 4

[Editorial: "Government Shouldn't Give Quarter to Terrorists"]

[Text] Without doubt, the Communist-led New People's Army is the single biggest organized threat to national security.

But all this talk of ambushes and summary executions allegedly perpetrated by the NPA has served to divert public attention from other groups which evidently are also sworn to wage armed struggle against the government.

That these groups have rejected the organizational discipline of the NPA and ideological leadership of the CPP suggest the complexity of the problem confronting the government's security agencies. In the case of these "independent" groups, law enforcers are dealing with the lunatic fringe of the anti-government movement.

For instance, early evidence shows that the fire which hit the Regent of Manila was intentionally set off by a group that incongruously calls itself "The Angels." The use of arson to make a political statement--like indiscriminate bombings, even of civilian targets--is a typically terrorist act. As of this writing, there is nothing to link the Angels with the NPA. We can, therefore, assume that they are yet another group of self-styled revolutionists.

Since the late '70s several such groups have made their presence felt in this country. The Light-a-Fire Movement conducted several sabotage operations that had an uncanny resemblance to the Regent fire.

In the early '80s the April 6 Movement undertook a series of terrorist bombings which claimed the life of at least one person--a foreigner shopping at a Makati supermarket. The same group also loosed pandemonium at the PICC [Philippine International Conference Center] during a conference of travel agents when it set off a bomb originally meant for no less than the president.

At about the same period, still another group of so-called urban terrorists was linked to the murders of several policemen and soldiers. That this group chose to call itself Gerilya Anak-Pawis [Guerrillas of the Children of Toil (GAP)] initially led government investigators off the wrong track. Despite the proletarian pretensions, the GAP was eventually found to have nothing to do with the NPA.

What complicates the government's efforts in combatting these groups is that, apart from their willingness to use terrorist methods in fighting the government, they have little else in common.

In matters of ideology, one (the Light-a-Fire Movement) is apparently rightist, another (April 6 Movement) is inclined towards a hodgepodge of socialist precepts spiced with liberation theology, and still another (GAP) seems to think of itself as the Philippine counterpart of such Latin American terrorist organizations as the Tupamaros of Uruguay.

In terms of personnel, one apparently made use of seemingly respectable business executives, another recruited college students and other petty bourgeois elements, and still another has attracted factory workers and slum dwellers.

Aside from claiming responsibility for the Regent fire, the Angels are yet a vague entity.

If only because these groups have shown no qualms in maiming and killing innocent civilians in their campaign of terror, the government should give them no quarter.

CSO: 4200/548

PHILIPPINES

ARTICLE ON FLAWS IN ECONOMIC PLAN

HK150919 Quezon City ANG PAHAYAGANG MALAYA in English 10 Feb 85 p 3

[Text] The country's economic adjustment program submitted for approval by major creditor International Monetary Fund (IMF) has "serious flaws" that may impair growth objectives, said Vaughn Montes, deputy director of the Institute of Industrial Economics of the Center for Research and Communication (CRC).

The economic adjustment program to be undertaken in the next 18 months from January this year to June 1986 is outlined in the Economic Memorandum made public by the Central Bank in November 1984.

The letter of intent, earlier submitted by the Philippine Government to IMF Managing Director Jacques de Larosiere, stipulates that the IMF will closely monitor the country's quarterly economic performance to ensure compliance with the conditions in the letter.

Since a large portion of the Letter of Intent is still unknown, even CRC projects the government's economic thrusts by consulting the updated economic development plan for 1984 to 1987, Montes said.

He also said that another serious flaw of the adjustment program is that most stabilization measures are short-term in nature to really solve the long-term implications of existing monetary and fiscal problems.

Even the rescheduling of the country's foreign loans falling due does not have anything medium-term but is essentially short-term," he pointed out.

This means that right after the finalization of the debt rescheduling for the next 18 months, there would be a second rescheduling negotiations accompanied by a new economic adjustment program to be presented again to the IMF by 1986.

This also indicates that the outcome of the Philippine economy will have to depend on the effects of, and how well it could comply with, the conditions contained in the Letter of Intent which includes, among other things, huge cuts in government investments and spending, wage restraint, and tight control of money supply.

Montes also said that most measures in the economic adjustment program are not related to the October 1983 problems which were the beginning of the standstill on foreign debt repayment, but most measures concern difficulties occurring after moratorium, the most prominent of which is the overhanging liquidity.

This is gleaned from the Economic Memorandum where it was stated that its "key objective" is the elimination, through more intensive open market operations, of the "large liquidity overhang that had developed during the last quarter of 1983."

The stabilization measures are chiefly on monetary and fiscal policies and exclude political concerns and the loss of confidence in the government.

Moreover, Montes said that the economic recovery is "broadly based" without taking into consideration the international economic environment which affects to a large extent the local economy.

The cycle of economic adjustment is actually related to overvalued peso through monetary policies and control, he said.

CSO: 4200/550

PHILIPPINES

BANK LOAN AIDS GOVERNMENT CORPORATIONS, AVOIDS IMF LIMITS

HK141539 Manila BUSINESS DAY in English 14 Feb 85 p 11

[Text] The Philippine National Bank (PNB) last month extended a 900-million peso loan to Manila Electric Company (Meralco) in what appears to be an ingenious transaction that not only solves the cash-flow problems of Meralco and two government corporations but also provides the government with substantial leeway to comply with certain conditions imposed by the International Monetary Fund (IMF).

Meralco has been having severe debt service difficulties mainly because of some P900 million in interest and principal payments due to the National Power Corporation, which supplies the electric power Meralco retails. NPC, on the other hand, has been having its own cash problems, partly because of IMF limits on budgetary support to it and also with the IMF's conditions that NPC as well as the other 13 major government corporations deposit the peso counterpart of their maturing foreign obligations with the CB. In turn PNO [Philippine National Oil Company], which is among the 13 major corporations the IMF is closely watching, has receivables from NPC for the oil NPC has been using to generate power.

To ensure that the government measures result in the crawling back to profitability of the 13 corporations, the IMF has also imposed ceilings on the amount of banking system credit to the public sector. The limits set under the terms of the IMF arrangement actually call for drastic cuts in banking system credit to the public sector, from P29.1 billion to P27.7 billion by end of March this year. These IMF conditions in effect had ruled out any PNB support to the two government corporations.

The P900-million loan to Meralco would have the effect of skirting the IMF limits. The transaction was made with the authorization of the Monetary Board--the Central Bank's policy-making body--since the P900-million credit would involve exceeding the so-called single borrowers limit regulation which stipulates that loans to a single borrower should not exceed 15 percent of a bank's unimpaired capital and surplus.

Under the terms of the transaction, the P900 million loan Meralco will be incurring will be used to pay off its debts to the NPC. In turn NPC will be using proceeds of the loan to pay off its oil bill to the PNO, roughly amount-

ing to P900 million. Under the agreement worked out, PNOC will then be depositing back into PNB the P900 million. In effect therefore, PNB, which itself is cash-tight because of IMF ceilings on the loans the CB can extend to it--will be getting back the funds in loans the CB can extend to it--will be getting back the funds in loaned out, so that the loan exposure will not affect its liquidity position.

The loan proceeds extended by PNB will therefore be booked as loans to a private-sector company, Meralco. It will however also result in the infusion of funds to two government corporations--the NPC and PNOC--which will, at least in their books, reflect in an improvement in their financial condition.

PNB itself will gain from the program since the IMF has also required that the PNB should devote a certain percentage of its total loan portfolio to the private sector. The Meralco loan, while improving the financial position of two government corporations, will be booked as a loan to the private sector.

CSO: 4200/551

PHILIPPINES

GOVERNMENT TO ASK FOR RELAXED LOAN CONDITIONS

HK141543 Manila BUSINESS DAY in English 14 Feb 85 p 2

[Text] Confidence is rising in the banking sector that the government can convince the International Monetary Fund to relax somewhat its loan conditions regarding money supply. BUSINESS DAY sources in banking said the government, in preparing for the forthcoming IMF review of the country's economic performance as against various set criteria, has decided to ask for leeway on the target levels of reserve money. Reserve money is currency released by the Central Bank, minus those used by banks as reserve.

The IMF is scheduled to start its first quarterly review of the economy later this month. Favorable findings by the fund will enable the Philippines to draw further from its \$610-million standby credit line and start drawing from the loan packages arranged with foreign banks. Bankers with whom IMF officials have been recently in touch, said the IMF may give the Central Bank flexibility in meeting the reserve money targets.

The business community has been complaining that the CB measures to achieve the targets have severely tightened the total availability of funds, and forced interest rates to zoom up. The bankers told the IMF officials that the CB control over funding caused the recent strength of the peso against the U.S. dollar. The bankers said the fund officials were apparently convinced that the trend goes against expectations of a weakening peso because of the persisting deficit in the country's international trade accounts. However, they also said the demand for dollars has gone down because of the high cost of peso funding to buy the dollars to pay for imports.

The sources said the government plans to try to persuade the IMF that the targets on reserve money be considered together with existing conditions in the economy. "The idea is to present to the IMF a report card showing good grades except in one subject--the reserve money," one source said.

The sources noted that the reserve money targets--and their contracting effect on funding--were merely the means to certain ends, such as controlling the rise in prices. Too much money available for certain amount of goods, theoretically, fuels inflation. The sources said the IMF and the government agreed on reserve money targets that were deemed consistent with the goal to decelerate inflation.

According to government figures, the inflation rate has gone down to less than 40 percent on a yearly basis during the past month, despite the CB's exceeding the reserve money target of 32 billion pesos for the end of last year. Bankers said that if the IMF and government would pursue restrictive targets on reserve money, it would seem that such a policy is obsessed with the means rather than the goal.

The government has been aligning interest rates--through control in money supply--with the inflation rate, in an attempt to encourage savings and stem the outflow of funding from the country through speculations in dollars.

CSO: 4200/551

PHILIPPINES

PAPER CITES EXAMPLES OF LAND-GRABBING UNDER MATERIAL LAW

HK151029 Quezon City ANG PAHAYAGANG MALAYA in English 11 Feb 85 p 5

["Town Crier" column by Vic Barranco: "People Will Work in Freedom"]

[Text] Ferdinand Marcos has evoked dreams and visions of beautiful countryside, green valleys and fields turning to brown teeming with harvest from season to season. The greening of the mountainsides by forest engineering and through expensive back-to-nature projects, building of peaceful rural homes abounding with livestock, poultry and grain--a cornucopia of prosperity, happiness and wealth--come in those dreams with music and laughter and color of pristine dawn.

The vision and dream have never come true; they turned to eternal despair. The people woke up too soon into the grim realities of fear and hunger that martial law has plagued the Philippines with, and made agrarian reform a carnival of landgrabbing. The unfulfilled promise of prosperity at the grass-roots has turned happy rural folks to destitute farmers. Now the peasants are marching in the sun and rain from far-off provinces and barrios, hungry and cold and faint on their way to Manila to petition Malacanang and the Ministry of Agriculture for immediate, positive assistance in developing their fallow farms, otherwise they will again end with the season in a harvest of tears.

The latest of those long transprovincial marches of farmers was held in the first week of February, the love month that actually was the month of bitterness for those unfortunate tillers of the soil, for they had to sleep on grass and pavement, hungry and cold, for nights at the Ministry of Agriculture premises while waiting for an answer to their request from Mr Marcos.

The Philippine Peasant Institute (PPI), the Philippine Ecumenical Action for Community Enlightenment (PEACE) and the Forum for Rural Concerns (FRC) recently turned out a revealing and touching newsletter on landgrabbing in the Philippines. The report cited only three cases of "Assault on the Countrysides" by squads of powerful land grabbers who had the support of the KBL government and the military.

1. In 1973, immediately after the imposition of Martial Law, the new government created Cellophil Resources Corporation (CRC), a 200,000-hectare logging concession. The CRC transnational corporations are owned by Japanese and Swiss.

The local dummy was the Herdis Group of Companies headed by Herminio Disini, a crony of President Marcos. Thousands of Abra, Ilocos Sur, Ilocos Norte, Bontoc and Kalinga-Apayao minorities have been displaced from their age-old lands and homes, as a result of this special grant. Few were raking in the wealth of the land out of this aggressive assault on the property of numerous rural inhabitants.

2. In 1976, the Del Monte subsidiary, the Philippine Packing Corporation, ejected 371 farmers as it plowed through five barrios in Pontian plains in Mindanao. The reason was the expansion of the Philpacking Corporation's pineapple plantations. Other details related to this assault were the presence of constabulary (PC) troops and of the Presidential Assistance for National Minorities (PANAMIN), who were ready to render facilities to the foreign agribusiness enterprises and secure their newly-acquired estate against possible return and protest of the dispossessed poor.

3. In May, 1980, about 300,000 people in a 13,000-hectare Hacienda San Antonio-Sta. Isabela in Ilagan, Isabela, were threatened with ejection by the Anca Corporation. Anca owners include a coconut and oil industrialist, a Marcos crony, according to the Philippine Peasant Institute and the PEACE organization report. Anca planned to transform the Isabela hacienda into an agribusiness plantation of ipil-ipil and coconut. The protests of farmers who had the assistance of the Catholic priests, were invariably met with widespread harassment, salvaging, burning of houses and crop destruction by the gun-wielding goons in military uniform.

The preceding triad of cases that occurred through a decade of martial law, represent only a very small percentage of a long string of landgrabbing cases that have displaced thousands of families of peasants, settlers and ethnic minorities from their lands and homes.

The PANAMIN has likewise been conveniently used by this regime to grab lands from the poor and the cultural minorities. PANAMIN is notorious for having eradicated the country's beautiful customs, culture, art, handicrafts and fascinating ways and mode of life and, of course, the basic food resources, all with license from the KBL dictatorship.

The beautiful island group belonging to Barrio Bayayao municipality of Bulalacao. Oriental Mindoro, was taken over by the Panamin Minister in 1973. He converted the biggest island into a private golf course. He drove out the Mangyans and destroyed the haven there for bancas of poor fishermen.

Verily, we can achieve agricultural production not because the soil is fertile, but because the people are free.

CSO: 4200/550

PHILIPPINES

EDITORIAL COMMENTS ON COMPLAINT BY GENERAL VER

HK191005 Quezon City ANG PAHAYAGANG MALAYA in English 13 Feb 85 pp 1, 4

[Editorial: "The General Has a Complaint"]

[Text] General Fabian C. Ver, the country's most powerful soldier, has a lament. In a speech at the 40th anniversary celebration of the liberation of Mandaluyong last Saturday, he complained against being linked to the Aquino-Galman slayings in these words:

I am fighting a war to liberate myself, my family and my profession from the bondage of unjust vilification and the shackles of poisoned public opinion."

There is no question that public opinion is against him. This is because of his intimate relations with Mr Marcos and the vital role he played in setting up the oppressive martial rule. Without the general's assistance, it is doubtful if the Marcos plot would have succeeded to the extent it did.

But while Ver worked as an indispensable and loyal ally to the president, the relationship was also most pleasant and profitable to him. Through the last 13 years, the general was head of the elite military branch, the Presidential Security Command, and, later on, as chief of staff of the entire military establishment, enjoying the emoluments, allowances, rewards and other perquisites and the tremendous powers and influence of the exalted positions.

In short, the general never had it so good.

As for his being indicted in the Aquino-Galman double murder, this remains for the Sandiganbayan to determine. But even here, he has winning aces up his sleeve. His patron, St Ferdinand, has already declared his belief in his innocence when he said that the majority Agrava Board report was full of doubts and inconsistencies.

Furthermore, Mr Marcos has seen to it that he and his fellow inditees would be tried by a civilian court. Marcos had to issue a special decree for them to be tried in the Sandiganbayan, and not in a court martial as is customary.

Then, to show the government's partiality, the accused were given preferential treatment by being held under military custody and not in a civilian prison as is also customary.

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The general says he is engaged in a war to liberate himself from the "bondage of unjust vilification and the shackles of poisoned public opinion."

Has he ever stopped to think how many Filipinos have suffered and died under the tyranny and injustice of the dictatorship which he helped put up during the last 13 years? And the grinding hardship the entire Filipino people are presently suffering under?

As Christians, we commiserate with General Ver in his unfortunate plight today. But whether guilty or innocent of the charge linking him to the Aquino-Galman killings, he must admit that he helped bring about the circumstances which led to his being accused of being a part of the military conspiracy.

Having made his bed, he must lie down on it.

CSO: 4200/550

PHILIPPINES

NPA GUERRILLAS DISARM POLICE, OCCUPY SOUTHERN TOWN

HK200258 Hong Kong AFP in English 0231 GMT 20 Feb 85

[Text] Cagayan de Oro, Philippines, 20 Feb (AFP)--Some 300 armed communist guerrillas occupied a town in southern Mindanao Island after disarming the town's entire police force, the regional military command based here said today.

The New People's Army (NPA) raiders carted away assorted firearms, medical supplies, foodstuffs and other valuables after ransacking the town hall and health center of Esperanza, located 115 kilometers (69 miles) east of here in Agusan del Sur Province, Monday, military authorities in this southern city said.

The guerrillas also conducted a search and zoning operation in the town and herded the townsfolk to a central square for a communist teach-in, they said.

No one was killed or wounded in the attack, they added.

Military sources here said the NPA apparently had the support of some residents. Personnel of the Roman Catholic parish in the town cooked breakfast for the raiders while other residents sent off livestock as gifts to the rebels, they added.

Two army companies have been set in pursuit of the guerrillas, the military command said.

The NPA, military wing of the banned Communist Party of the Philippines, has been fighting government troopers in the countryside since 1969. The Esperanza said was the latest reported in southern Mindanao Island, where they are currently strongest.

CSO: 4200/548

PHILIPPINES

MINDANAO PROVINCE DEBATES MARTIAL LAW CALL

HK140533 Manila VERITAS in English 10 Feb 85 p 16

[Text] Whether Agusan del Norte would be placed under Martial Law or not was the subject of a heated debate last week.

The province's Peace and Order Council--composed of officials of the provincial government and town mayors--had passed a resolution asking President Marcos to place Agusan del Norte under martial law "to bring peace and order" to the troubled place. The public, however, sees otherwise. Fear, rather than a sense of security, would be the public's reaction, said a local press club which conducted a survey on the proposal.

Other sectors expressed outright disapproval, shrugging off the suggestions as superfluous. "The province is already under martial rule, as the entire country is," a spokesman of the local chapter of the Nationalist Alliance for Justice, Freedom and Democracy (NAJFD) said. The spokesman cited the increased military presence and alleged military abuses in Agusan del Norte.

"Martial Law is the most ruthless monster I have ever known," columnist Camilo Fortun of the MINDANAO CHRONICLE said, adding that he shudders to think of the "absolute and total rape of democracy," in the province.

The Peace and Order Council in Butuan City, during an emergency meeting recently, unanimously approved a resolution requesting Marcos to place Agusan del Norte under Martial Law, citing reports of escalating communist activities.

Critics of the proposal agree that Agusan del Norte, particularly Butuan City, could be another Davao city in the making. They contend, however, that martial rule will only accelerate the rise of the dissident movement.

In Davao City, an average of two people were killed either by the New People's Army or by government troopers daily. In Butuan City, encounters between rebels and soldiers are still sporadic. Observers, however, see an escalating trend in NPA operations last year. Major NPA attacks hit military installations not only in remote municipalities but also in the suburbs of Butuan City.

CSO: 4200/533

PHILIPPINES

FARMERS' ALLIANCE ISSUES STATEMENT AT AGRICULTURE MINISTRY

HK131254 Manila Radio Veritas in Tagalog 0900 GMT 13 Feb 85

[Statement read in English]

[Text] At about 6:15 this morning, 8 truckloads of anti-riot policemen attacked, without provocation or warning, some 600 farmers encamped in front of the Ministry of Agriculture and Food. Assisted by three firetrucks, the anti-riot policemen were under the command of Colonel Dawis and Colonel San Diego of the Northern Police District.

Some 7,500 farmers staged a two-day lakbayan [journey] march from [words indistinct]. Since 5 February they have been seeking a dialogue with Minister Escudero. After the first round of negotiations, Minister Escudero, who had promised to look into the matter, failed to show up for the next two dialogues. But on 11 February, the delegation went to the Batasang Pambansa to look for the minister. Having confronted him, the farmers insisted that Escudero formally bring the matter to President Marcos. Minister Escudero promised to bring it up at the cabinet meeting.

During the cabinet meeting, Prime Minister Virata said that [words indistinct] have been launched for the benefit of the farmers, a [words indistinct]. This means another subsidy.

However, this was shattered by [words indistinct] the policemen dispersing the picketters, some of whom were still sleeping. Jaime Tadeo, chairman of the Talianza Ng Mga Magsasaka Sa Gitnang Luzon [Alliance of Central Luzon Farmers] approached Col Dawis and was promptly arrested. The policemen, who liberally used their truncheons, [words indistinct] by water cannons in dispersing the farmers. Some even fired their guns. As a result, a number were injured, including a press photographer.

[Words indistinct] started by the policeman [words indistinct] a Tamaraw [brand name] jeep and two sets of [words indistinct] generators and personal belongings. [Words indistinct] were seen to be set afire by policemen and some plainclothesmen.

Attorney Dante Ilaya was arrested together with Jaime Tadeo. Four farmers from Nueva Ecija, six from Pampanga, and the driver of the Tamaraw hired by the organizers have been reported missing. The violent dispersal came at a time when the farmers had set for today a press conference where they would state their future plans. Meantime, they have [words indistinct] at the University of the Philippines chapel in Diliman, Quezon City.

PHILIPPINES

POWER LINES FELLIED, CABLE STOLEN IN NEGROS OCCIDENTAL

HK140543 Manila VERITAS in English 10 Feb 85 p 12

[Text] When the National Power Corporation's [NAPOCOR] Tower No 80 in Negros Occidental was toppled last 1 December by unidentified armed men, the New People's Army (NPA) guerrillas said to be operating in the area became the principal suspects.

The incident was followed by several instances of pilferage of NAPOCOR electrical power lines, prolonging a blackout in most parts of Negros Occidental and Bacolod City for almost a month.

Last week, several persons, including a Bacolod City policeman, were arrested by the military for their alleged involvement in the thefts, thus shattering earlier police claims that it was the NPA which was responsible.

The military had earlier intercepted on 9 January about 70 tons of aluminum conductor wire in a contained van ready for shipment to Manila. NAPOCOR officials identified the wire as part of those pilfered from their facilities. The arrests were covered by PDAS (Preventive Detention Action) issued by President Marcos.

Brig Gen Isidro de Guzman, commander of the Regional Unified Command in Bacolod said that more arrests were forthcoming. The list reportedly includes the names of several military men suspected to be members of a syndicate.

Observers however, have not entirely discounted NPA involvement in the downing of the NAPOCOR towers, because the power lines pass through known NPA areas. But while the NPA in Negros may have the capability to topple the towers, they also point out that it does not yet have the logistics to smuggle the wire to Bacolod City for shipment to and sale in Manila.

CSO: 4200/533

PHILIPPINES

SOME EXPORT INCENTIVES TO BE PHASED OUT

HK181454 Manila METRO MANILA TIMES in English 18 Feb 85 p 12

[By Corrie Salientes]

[Text] Some export incentives offered by the Board of Investments (BOI) will be phased out in 5 years in accordance with American "wishes," to qualify the country for inclusion in the General Agreement on Tariff and Trade (GATT) code on subsidies and countervailing duties.

But Trade and Industry Minister Roberto V. Ongpin, in a press briefing over the weekend, said that not all export incentives would be abolished.

The BOI is still classifying investment incentives and subsidies. The latter, Ongpin said, would be given up following the GATT ruling.

This setup is also part of the GATT terms and conditions liberalization being sought by the Philippines and other ASEAN countries.

Trade ministers of the five ASEAN countries have told U.S. Trade Ambassador William Brock that on the question of GATT code accession, the region should not be obliged to assume commitments that are inconsistent with their competitive and development needs such as the total phaseout of export incentives.

"GATT and the U.S. should realize that granting of export incentives in developing countries is a fundamental policy," Ongpin said.

He also said he hoped that the government would come with the GATT regarding the accession before the U.S. Government acts on the U.S. trade unions' countervailing duty [CVD] petition regarding a number of exportations made by the Philippines to the U.S.

The incentive phaseout is being geared to free the country's exports from CVD slapped by importing countries to subsidized exports.

However, with the accession on the GATT code on subsidies and CVD, Philippine exports are expected to be free from CVD petitions through the so-called "injury test."

If the Philippine application for accession is approved prior to the resolution of the U.S. CVD petitions, the petitions will be rendered academic.

The U.S. petition had asked for a 10 percent CVD on the total export value of Philippine exports.

Local garments and textile exports were reported to have received subsidies totalling 1.47 percent and 1.3 percent, respectively.

The allowed subsidy on exports is only one half of 1 percent.

In a meeting held recently, ASEAN economic ministers assailed the "inequitable" treatment accorded to the region by the U.S. regarding the CVD on its garment and textile imports despite the region's small share in U.S. imports placed at only 2 percent.

Ongpin said ASEAN countries were singled out on this issue leaving the "big four" textile and garment suppliers composed of Hong Kong, Taiwan, China and Korea to dominate the U.S. market.

CSO: 4200/551

PHILIPPINES

SUGAR CORPORATION TIES WITH U.S.-BASED FIRM QUESTIONED

HK180954 Manila METRO MANILA TIMES in English 16 Feb 85 p 12

[By Ed Malay]

[Text] Sugar planters, Millers and Opposition members of the Batasang Pambanda yesterday demanded to know the real identities of the owners of a U.S.-based trading firm with which the National Sugar Trading Corporation has been doing business for the past 8 years.

The inquiry into the identities of the owners of the U.S. trading firm was prompted by an abrupt change in its ownership in 1982.

The firm is the Czarnikow-Rionda Co, Inc which holds office at 120 Wall St, New York, New York. Its officers are Leandro Vasquez, chairman; Reed Clarke, second chairman; Joseph Fraites, president; D. Cademartori, vice president; Daniel Gutman, vice president; Dwight B. Massey, vice president; Ralph Kazi, corporate secretary; Fidel A. Roales, Treasurer; C. H. Falk, executive vice president; Harry O'Keefe, chief executive officer. This firm maintains two other offices at the South Seas Center, Tower II, Kowloon, in Hong Kong, and at No 1 Lloyds Avenue in London.

Czarnikow-Rionda Co, Inc has an affiliate operating as a trading firm under the name Czarnikow-Rionda Trading Co, Inc which has the same office address.

The affiliate has the same set of officers as Czarnikow-Rionda Co, Inc except for a certain Arturo Sterling Who acts as one of its three vice presidents.

Before 1977, Vasquez was a mere employee assigned to the Manila office of Czarnikow-Rionda. In 1977, Vasquez was pirated by Benedicto to become the marketing consultant of Nasutra. Vasquez took charge of all the export trading activities of Nasutra.

But in 1982, Vasquez, together with some "associates," bought Czarnikow-Rionda which was at that time the second largest sugar brokerage in the world. The purchase price was \$46 million.

Up to now, Vasquez remains the marketing consultant for Nasutra, a position which, according to MPS Fermin Caram Jr and Rafael Recto is in direct conflict

with his position as chairman of Czarnikow-Rionda. The two solons said the dual position of Vasquez as seller and buyer of Philippine sugar is detrimental to Filipino sugar producers who are at the mercy of the U.S.-based firm.

In addition to Czarnikow-Rionda Co, Inc and its trading affiliate, two other U.S.-based offices are directly linked to the operations of Nasutra.

One of the firms is Ragus Trading Corporation with a listed address at 560 Lexington Avenue in New York but which is currently holding office at the Czarnikow-Rionda offices. Ragus acts as the shipping agent for Norther Lines, Inc, Marapara Shipping Co, Negros Stevedoring Co, Visayan Maritime Academy, and Peninsula Tourist and Shipping Corporation.

Practically all these local firms are either owned or controlled by Benedicto Ragus is headed by Reed Clarke as director, and Charles F. Falk and Joseph Catalanotto as executive vice presidents. Except for Catalanotto, Clarke and Falk are also officers of Czarnikow-Rionda.

Nasutra also maintains its own office in the United States. This is known as the Philippine Sugar Trading Corporation which holds office at No. 4 World Trade Center, Suite 520. Its listed officers are Benedicto as president, and Tomas Zita, a nephew of Benedicto, as manager.

Other officers of Nasutra are practically in the dark as to how Philippine sugar exports are being handled. A ranking Nasutra official who requested anonymity said: "As far as exports are concerned, only Vasquez knows."

Caram and Recto believes that Vasquez and his associates were mere dummies. They said Vasquez could not have amassed [as published] \$64 million as marketing consultant of Nasutra to be able to buy the world's second largest sugar brokerage company. They said Czarnikow-Rionda might have been bought by Nasutra.

CSO: 4200/551

PHILIPPINES

BOOK DETAILS LOST OPPORTUNITY TO BE RICE-EXPORTING COUNTRY

HK151105 Quezon City ANG PAHAYAGANG MALAYA in English 11 Feb 85 pp 1, 2

[Text] Rampant graft and corruption and the loss of credibility by the government during the repressive years of Martial Law meant a lost opportunity for the country to sustain a position as a rice-exporting country.

The increased elitism, diminished importance of the individual and the orientation of national resources away from farms to experimental industries resulted in a decline in rice production.

These views were expressed by Rafael M. Salas, executive director of the United Nations Fund for Population Activities (UNFPA), in his book "More than the Grains," which documented the success of the Philippine Rice Sufficiency program in the late 1960's.

The book pointed out that a major reason for turning the country around from a rice importer in the 50's to a rice exporter in the 60's was the full participation of the farmers in the rice production program.

He said the farmers participated fully then because government fulfilled its promises to provide material, financial and managerial help.

In an interview with DEPTHNEWS, Salas said that the method used was participatory program which used reinforcement and persuasion but without coercion. He did not elaborate, however, on the specific material or reinforcement methods.

In 3 years, from 1967 to 1969, Salas managed the PRSP. He reportedly placed farmers at center stage where they were allowed to set their own production goals, solve their problems at the grass roots and receive farm inputs and know-how from the government on time.

Salas, however, attributed the program's success to a central head agency with clear directives and swift decisionmaking system, strong field network with knowledgeable members, participation of farmers, social groups and organizations, proper delegation of authority to the lowest functioning unit and translation of the program in a language farmers could understand.

Another plus factor, Salas said, was the open, two-way communication between the government and the farmers. This helped much to dispel the farmer's initial misgivings.

After Salas left the government of President Marcos over complications arising from his being considered as a prospective senatorial candidate, the program, losing its top manager, began to slide. In 3 years, the country was importing rice again, DEPTHNEWS said.

The program that gave the country rice seeds and surplus grains for exports soon lost steam. Martial Law made the government "less credible in the rural areas and ruptured the close ties between the farmer and the government so diligently nurtured by the Rice Sufficiency Program," Salas wrote in his book.

Looking back, he said: "The program was successful only because the government as a whole was able to provide the inspiration, motivation and incentive that attracted the willing participation of the farmers and to generate both loyalty and confidence by being consistent and credible. It was credible only because it kept its word."

CSO: 4200/550

PHILIPPINES

BRIEFS

LABOR MINISTRY ON LARGE LAY-OFFS--Manila, 14 Feb (KYODO)--A total of 93,386 workers were laid off in 1984, a labor Ministry report said Thursday. The number is 23.8 percent higher than the 1983 figure of 75,428 temporarily or permanently unemployed, and higher than the last recorded unemployment figure of 78,500 in 1981. Workers who lost their jobs permanently numbered 40,392, representing 43 percent of the total for 1984. It was more than double the 1983 figure of 18,047 who were permanently unemployed. Those who were temporarily laid off numbered only 37,472 compared with previous year's 46,862. The manufacturing sector accounted for most of the lay-offs with 58,283 or 62.4 percent of the total, 4.8 percent higher than the 1983 figure of 55,613. The lay-offs, the biggest in five years, reflected the worst economic crisis that has battered the country since World War II. Economic Planning Minister Vicente Valdepenas said in December that "Very, very drastic reduction in industrial activity" resulted in a 5.49 percent decline in gross national product (GNP) in 1984. [Text] [Tokyo KYODO in English 0750 GMT 14 Feb 85 OW]

ARMY TO CONDUCT CIVIC ACTION--Army Chief Major General Josephus Ramas has ordered army units in Mindanao to conduct civic action activities to check the growing insurgency in the area. Ramas issued the directive in a speech during the 15th anniversary of the army's Fourth Infantry Division at Camp Aguinaldo inside Cagayan de Oro City. The army chief said the growing insurgency in Mindanao, particularly in Region 10 [Surigao, Misamis, Agusan, Lanao, Cotabato, and Sultan Kudarat] has raised concern with the national leadership. According to him, the neglect and abuses [words indistinct] in the military and civilian agencies contributed to the growth of communist insurgency and (?the different) attitudes of the people towards the government and its programs. [Text] [Quezon City Maharlika Broadcasting System in English 0800 GMT 12 Feb 85 HK]

STUDENT LEADERS ARRESTED--Three student leaders were arrested during a mass demonstration in Camp Aguinaldo yesterday in Quezon City. Those arrested were Leandro Alejandro, Jose Bautista, and [name indistinct]. Alejandro and Bautista are both students of the University of the Philippines. Authorities said the three were arrested for violation of the [words indistinct] law. Reports said the three were [words indistinct] a group of students inside a compound on Balete Drive, Quezon City, when police from the Northern Police District came to disperse them. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 14 Feb 85 HK]

BALWEG LEADS NPA RAID--In Bontoc Province, about 200 NPA terrorists led by renegade Catholic priest Conrado Balweg raided the town hall of Sandangga, tied up the mayor and police chief, and fled with 44 guns. The rebels also lectured the officials on alleged government abuses. A PHILIPPINE NEWS AGENCY report said the rebels were aided by some 400 tribesmen. One soldier was killed when a vehicle carrying army reinforcements rushing to Sandangga crashed into a ravine. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 14 Feb 85 HK]

FARMERS PROTEST DISPERSAL TACTICS--About 3,000 people, mostly farmers, marched yesterday [16 February] to protest police dispersal earlier this week of a group that had camped for 8 days outside the Agriculture Ministry to demand cuts in prices of fertilizer and other farm input. There was no violence as the chanting, flag-waving protesters, including students and Roman Catholic nuns, marched for 3 hours under a blistering afternoon sun on their way to a rally at the downtown Manila Plaza. About 300 antiriot police guarded the palace of President Marcos during the march and rally, which ended at dusk. An estimated 5,000 farmers had marched last week for 8 hours to the ministry to ask for a rollback in the prices of imported fertilizer and pesticides, but the government refused because it said the Philippine people would have to shoulder the subsidy. The group then camped outside the ministry for 8 days until Wednesday, when police attacked them with smoke-bombs and water-cannon. (Jaime Tadayo), head of the farmers group, said the protesters would return to their farms today, but they would continue to stir awareness and return in greater numbers when they are ready. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 16 Feb 85 HK]

ENRILE ON DIALOGUE WITH STUDENTS--Defense Minister Juan Ponce Enrile has reiterated his willingness and readiness to meet with student leaders seeking a dialogue with him on alleged repression of student movements in various campuses. Enrile however said that to make a dialogue meaningful and fruitful, there is a need to systematize the procedures governing dialogue. He stressed that in line with the existing accord he concluded with the student leaders in October 1981, it is necessary for the student leaders to submit their list of grievances and issues, the agenda for discussion, and the names of participating student leaders and the organizations they represent. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 16 Feb 85 HK]

5.5 PERCENT GROWTH TARGET SET--Prime Minister Cesar Virata says the government aims for 5.5 percent positive growth this year. During an interview with business leaders and media in Cebu City, the prime minister said that the government is doing all it can to cut down the country's inflation from 64 percent to 15 percent by the end of the year. They added that the government will also exert efforts to improve the country's balance of payments. According to the prime minister, this move will measure the success of the country's economic recovery program. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 17 Feb 85 HK]

IMELDA WELCOMES MORE PRESIDENTIAL ASPIRANTS--The first lady, Mrs Imelda Romualdez Marcos, says she and the president would welcome more ambitious aspirants who wish to run for the presidential elections in 1987. Mrs Marcos observed if their would be more presidential candidates, the people can decide better who among them can best serve the nation's interests. She made the observation at a meeting with provincial officials in San Fernando, Pampanga, and at Bacolor, where she attended the inauguration of Our Lady of Lourdes' shrine. Mrs Marcos said any [words indistinct] who wants to declare his candidacy for the presidency would ultimately help share the nation's progress and destiny. Meantime, at today's breakfast conference at the Kapihan Sa Manila [Manila Coffeeshop], the first lady urged Filipinos to be more patriotic and to be calm as the country pursues its national recovery and stability programs. She also appealed to Filipinos leaving for abroad and those already abroad not to make hysterical statements to the foreign press which might be adverse to the image of the Philippines and its people. [Text] [Quezon City Maharlika Broadcasting System in English 0400 GMT 18 Feb 85 HK]

CSO: 4200/551

THAILAND

KHUKRIT RECALLS ROLE ON FOREIGN POLICY, POLITICS

BK131125 Bangkok BANGKOK POST in English 12 Feb 85 p.5

["Text" of 11 February speech by Social Action Party leader Khukrit Pramot at the convention of the Young Presidents Organization at the Royal Orchid Hotel in Bangkok]

[Excerpts] During the last month or so, the fighting over Cambodian and Vietnamese incursions into Thailand have been daily television and front-page news all over the world; so much so that a number of Young President apparently cancelled their attendance at this meeting as a result.

But since your arrival, you will have seen that the reality is quite different. This kingdom is at peace. Our society and politics are free and open. Business is as usual. We are stable while others are making a nuisance of themselves on our border, cutting their noses to spite their own faces, and thrashing around in a bottomless pit of misfortune into which they had thrown themselves in the first place. We are a fortunate country. We have also been fortunate in the past, when we were the only nation in this part of the world which succeeded in maintaining our independence during the colonial era. We are not complacent about our great good fortune. We work hard at keeping it that way. I believe I played my part in contributing to the national legacy when I was prime minister between 1975 and 1976.

On assuming office, I decided that our foreign policy must be more even-handed than it had been under previous governments. We had to normalize relations with China quickly while the Americans were withdrawing from mainland Southeast Asia back to the Pacific. Our relations with the United States had become too intimate as a result of the Vietnam War. We did not want a divorce but asked not to be taken so much for granted and requested better terms and a little more respect for our needs. This was willfully misinterpreted in some quarters as being unfriendly to our ally. Some able civil servants of the Ministry of Foreign Affairs got into trouble afterwards on account of my policy, even though they were only carrying out orders in the negotiations with the United States; it was a lamentable affair which I regret to this day. Anyway, the normalization of our relations with China on the other hand went according to schedule.

In February 1976, the heads of states and heads of governments of the Association of Southeast Asian Nations met for the first time since ASEAN came into being here in Bangkok in 1967. We met in Bali. The Bali Summit was highly

significant. It symbolized the solidarity of ASEAN, gave impetus to its cooperation in every field, and signalled peaceful coexistence to the new socialist states of the former French Indochina, regardless of ideological differences. It is tragic that Vietnam chose to ignore the message. We were sincere in wanting peace and stability for the whole of Southeast Asia. It would be ideal for Laos and Kampuchea to be sovereign, independent, neutral and nonaligned states which will not pose a threat to or be used against the security, sovereignty and territorial integrity of other states especially those sharing a common border with them. That would certainly help to restore order and security to the region. Instead, Vietnam chose to invade and occupy Kampuchea at the end of 1978. Now, more than 6 years later, she is still bogged down there in a colonial war situation, which is a sham on her vaunted record as a fighter of colonialism. We in Thailand have to bear the heavy burden of looking after the Khmer people who flee their occupied country in the hundreds of thousands. This is our international duty by which we have to do our best for humanity, even though we wish the international community would help us more than it does. Last year, Laos also chose to blow up a minor border incident out of all proportion to the reality of the situation. She refused to regard the matter as an affair between members of the same family, who speak the same language, and took the matter to the UN Security Council to her own chagrin. We regard the matter as closed. We have to bear with the situation on our eastern border. We do not cherish the thought of being a front-line state along the geopolitical and ideological fault of the world. But it is unavoidable. I believe we have the resilience and the resolve to see us through to a satisfactory conclusion.

There also seems to be a new political theory emerging in Thailand with the present government, that is: the prime minister can do no wrong. So the prime minister does nothing at all. When he did do something recently, namely adjusting the value of the national currency to a more realistic level, people were taken completely by surprise. His friends still in uniform, our very own Green Party, were upset that they had not been consulted first. They urged the prime minister to reshuffle the Cabinet. The commander-in-chief was on two television channels to express his disappointment with the prime minister. I happened to have been on the two other channels at the same time defending the revaluation [as published] of the baht. People didn't know which channel to watch, except those who have two televisions in the same room, and that only made them more confused. We thought we were in for a coup. Fortunately our commander-in-chief's able assistant, code-named "Big Tiny" [Deputy Army Chief of Staff Lieutenant General Chawalit Yongchaiyut], rushed around with his own special mixture of glue for breaking hearts and healed the misunderstanding. The operation was a complete success for Thai democracy. The public heaved a sigh of relief. In this land of smile, there is always a happy ending.

CSO: 4200/528

THAILAND

COLUMNIST ASKS U.S., THAI POLICY REVIEW ON CAMBODIA

Bangkok BAN MUANG in Thai 29 Dec 84 p 5

[Ta Mo Lo column: "Will the United States Shift Its Position On Cambodia?"]

[Text] The Vietnamese-Cambodian war along the border is becoming very intense. The new year is being welcomed in with unprecedented violence.

Nong Chan and Nong Samet, two large camps of the Khmer Serei, have been destroyed, and scores of people have been killed. Ampil, the Khmer Rouge's largest camp, has been shelled with artillery and is under heavy pressure by at least two Vietnamese battalions equipped with artillery, rockets, armored vehicles and tanks. These Vietnamese forces can launch a major attack at any time.

My hunch is that Vietnam launched this major offensive against Nong Chan and Ampil because people called Vietnam foolish. Thus, out of pride, Vietnam wanted to show its skill.

The result of Vietnam's offensive is that another 40,000-50,000 refugees have fled across the border into Thailand. This has just increased the burden on Thailand, which is helping the Cambodian refugees. Soldiers on the border have to work hard, and the risk for both civilians and soldiers is becoming much greater. The border is not safe. Shells land on our side all the time. The Thais who live near the border are at the mercy of fate. Spotter aircraft have been hit, but fortunately, they have been able to return to the airbase. They are fired on from tall buildings in Poi Pet even though these aircraft are 3 km inside our air space. This is an intentional violation [of our sovereignty] by Vietnam.

I would like to ask Mr Prem, the head of the government or leader of the country, how much longer he intends to put up with this.

Sometimes, they shell Thai villages, killing and wounding people and destroying property. At other times, they send forces across the border into Thailand, forcing Thai soldiers to engage them in combat. When they have had their "sport," they withdraw into Cambodia. They act as if the Thai military is a sparring partner. Whenever they want some

"fun," they cross the border for a "round or two." How long will we have to put up with this? This has been going on for 5 years now. Will we have to bear this another 10-20 years? Until Cambodia no longer exists?

I think that it is time for the government, that is, the National Security Council, to review its policy.

Diplomatic action cannot put an end to Vietnam's belligerence. It just makes them more belligerent. Protesting Vietnam's actions and making appeals to the United Nations is a waste of time. But regardless of what the government does, there must be retaliation for these intentional attacks on our territory. That would serve them right.

Our spotter aircraft that are clearly within Thai airspace, sometimes by as much as 3 km, must be protected. For our protection, we should have the right to destroy any location that fires on or destroys one of our aircraft that is flying inside Thai territory.

I have observed that recently, Vietnam has become bolder because not only is it receiving support from the Soviet Union, but the United States has begun to vacillate.

The fact that U.S. congressmen have twice visited Phnom Penh shows that the U.S. Congress is wavering.

The United States withdrew from the Vietnam War and allowed North Vietnam to swallow South Vietnam. The starting point for this action was in the U.S. Congress.

Americans are timid and gullible. When the congressmen saw the "window dressing" in Phnom Penh, they were greatly impressed. Also, Vietnam's actions that are aimed at the U.S. Congress may well result in the United States choosing between the Khmer Coalition in the jungle and the pro-Vietnamese Cambodians in Phnom Penh. The United States may well abandon the Khmer coalition in favor of the pro-Vietnamese Cambodians just as it abandoned Taiwan for Red China.

The United States believes that it can get along with Vietnam because Vietnam is not Russia. Americans would rather walk around Phnom Penh, which is controlled by the pro-Vietnamese Cambodians, than the jungles controlled by the Khmer coalition. The United States is more concerned about its future interests than it is about the well-being of ASEAN and Southeast Asia. The United States is ready to abandon any region of the world that is of no use to the United States. There are many countries like the United States that pretend to be moral but that are actually immoral.

Besides this, some ASEAN countries would like to "walk" in Phnom Penh, too, since that would benefit them. When I see this, I feel lonely.

Air Chief Marshal Sitthi Sawetsila, the minister of foreign affairs, must quickly find a new formula to use with Vietnam and the United States.

In the past, Thailand, Cambodia and Vietnam used the following formula:

Divide Cambodia in half. Let Vietnam control the eastern half and Thailand the western half. Then, the two halves can learn to adjust to each other. That would be wonderful.

Will history repeat itself like this?

11943

CSO: 4207/105

THAILAND

CABINET AGREES TO MEASURES TO LIMIT SPENDING

BK130239 Bangkok BANGKOK POST in English 13 Feb 85 p 15

[Text] The Cabinet yesterday agreed to a joint proposal of the Finance Ministry, National Economic and Social Development Board and Budget Bureau to regulate the spending of government agencies, so as to save 4 billion baht in the budget for this fiscal year.

The four measures are:

- Government agencies cannot swap budgets already allocated to projects.
- Government agencies cannot use the remaining budget of a project for other purposes.
- Urgent projects which require special budgets have to get approval from the Finance Ministry and Budget Bureau first.
- If the first three measures prove insufficient for the government to save 4 billion baht, the Finance Ministry will be allowed to cut some spending budgets of state agencies where it deems necessary.

However, Prime Minister Prem Tinsulanon said the ministry should be careful in cutting down the expenditure of government agencies because such action could weaken their working morale.

Even though the government will be able to save up to 4 billion baht from this, it still has to try to find 6 billion baht to finance the remainder of the revenue shortfall, the source said.

CSO: 4200/528

THAILAND

DALAI LAMA, IN INDIA, CANCELS PLANNED VISIT

BK120309 Bangkok BANGKOK POST in English 12 Feb 85 p 6

[Excerpt] At the advice of the Thai Government, exiled Tibetan religious leader the Dalai Lama will not enter the country to attend an international conference, the Foreign Ministry said yesterday.

The Dalai Lama, who fled Tibet in the wake of the Communist Chinese takeover, was to have attended a conference of the New York-based Young Presidents' Organization as a key speaker. The conference opened in Bangkok yesterday.

A senior government source, who asked not to be identified, said Beijing was unhappy with the Dalai Lama's visit, noting it preceded that of President Li Xiannian, one of six members of the Standing Committee of the Communist Party's Politburo.

But Foreign Ministry spokesman Sawanit Khongsiri said: "The main reason is because of the security risk. Since he will be on a private visit it would be very difficult to provide him with proper protection." He denied any Chinese connection in the matter.

The official spokesman for the Dalai Lama in New Delhi, said the Dalai Lama would respect the advice of the Thai Government and change his plans.

CSO: 4200/528

THAILAND

ASEAN UNIFIED BUT WILLING TO TALK TO SRV

BK120202 Bangkok BANGKOK POST in English 12 Feb 85 pp 1, 3

[Excerpts] ASEAN urged the international community yesterday to increase military and political support for the Coalition Government of Democratic Kampuchea.

In issuing the call, the foreign ministers for the first time clarified publicly ASEAN's full political and military support for the resistance.

A Foreign Ministry source said there had never been any question about ASEAN's full political support for the resistance.

ASEAN, however, has never jointly stated its support for the resistance militarily, the source said.

"This does not mean that each ASEAN country is compelled to send arms to the resistance," he said.

Ministry and diplomatic sources said ASEAN countries had always been free to lend military support without consultation.

One diplomatic source said any call for a political solution without military assistance was unrealistic.

Asked which countries ASEAN would urge to militarily support the resistance Foreign Minister Sitthi Sawetsila said: "Everyone who is willing to help."

Asked if one of the countries to give arms aid included Thailand, ACM [Air Chief Marshal] Sitthi said: "Yes."

It is rather an "open secret" that the Soviet Union gives tanks and ammunition to allow the Vietnamese to remain in Kampuchea.

ACM Sitthi said the resistance, as freedom fighters, were entitled to fight for their independence and "they cannot fight with their bare hands."

A Thai military officer said the principle of ASEAN's stand on military support for the resistance further demonstrated the organization's solidarity.

The officer said the ASEAN stand would boost the resistance's morale and hopes in their fight against the Vietnamese.

A diplomatic source said ASEAN was optimistic that in time more countries would respond to its call for military aid.

In their statement, the ministers also urged Vietnam to work towards regional peace and stability by "providing a conducive atmosphere so that meaningful dialogue can be started."

Ministry sources said the thrust of the statement was to tell Hanoi that ASEAN was still, despite the dry-season offensive, even more unified but was willing to talk if Vietnam was sincere.

Malaysian Foreign Minister Tenku Ahmad Rithauddeen said his Indonesian counterpart Mokhtar Kusumaatmaja was likely to visit Hanoi "only when he believes there are genuine prospects for a solution."

The present situation was not conducive for talks, he said.

CSO: 4200/528

THAILAND

FARMERS' GROUP OFFICIAL ON GOVERNMENT RICE POLICY

Bangkok MATICHON in Thai 17 Dec 84 p 4

[Interview with Mr Withaya Arichon, the secretary-general of the Central Committee of the Farmers' Group of Thailand; date and place not specified]

[Text] [Question] The government has stipulated that rice is to be traded freely and that exporters must keep rice stocks in order to allot export quotas. What effect will this have on farmers?

[Answer] This rice trade policy announced by the government is an aimless policy as far as farmers are concerned. As far as I can tell, the government did not stipulate that farmers would be able to sell their rice at prices that will cover costs. This was just technocratic talk. There is no possibility of exporters buying rice from the farmers at the prices set by the government. Because when they sell rice abroad, the merchants compete by selling at discount prices. What this means for the farmers is low prices as a result of price competition abroad. The merchants will set aside a certain amount for profit and then make purchases from the farmers. Thus, the farmers will receive a low price for their rice. This will benefit the merchants.

If this measure is implemented as the government hopes, the merchants will purchase rice from the farmers at a high price. But merchants have to make a profit. If they sell it at a low price, that means that they must purchase it at a low price.

If the government's aim is to help the farmers sell their rice at a price that will cover costs, the government must clearly announce that farmers' investments, as reported at the conference of the Farmers' Group of Thailand, are now 3,262 baht. At the very least, we must sell at a price that allows us to recover our investment. At present, rice is selling for 2,700-2,800 baht. Clearly, farmers are losing money. Thus, the farmers are definitely experiencing problems.

[Question] Does this mean that the government must stipulate additional measures?

[Answer] Yes, there must be additional measures. At the very least, measures must be stipulated that will enable farmers to sell their rice at a price that covers costs. For example, at our meeting, we asked the government to set the price of 5-percent paddy at 3,500 baht so that farmers can make a small profit. The minimum price must be 3,500 baht. The farmers can sell their rice at that price. The farmers have the right to expect that the price paid them for their products will cover production costs. The farmers will be happy if they can make a small profit since they will be able to survive.

Today, it is as if pressure is building up within the farmers, and they have no way to release the pressure. Finally, as was reported, there was an "explosion" in two provinces.

[Question] What do you think things will be like next year? What factors will help raise paddy prices? Because there is now much competition on world markets?

[Answer] As for trends in the agricultural sector, what the farmers want at present is to be able to sell their rice at prices that cover production costs. The government must do something that will enable us to sell at prices that will allow us to cover our costs. The government has many experts who can do anything. But the government must state clearly the prices that the farmers are to be paid for their goods. Otherwise, it is just empty talk. For example, the measures that have been announced just talk about selling at a good price. But the actual results have never matched those stated by the government. This is one thing that has led to pressure building up within the farmers, who have been waiting for this announcement for a long time.

[Question] Does this mean that the government should set minimum prices?

[Answer] Yes. The government has to search for some way. I think that the measures announced by the government are too indefinite; these are just hopes. If prices were stipulated clearly, the government would have to find a way to get the merchants to pay 3,500 baht, which is what we want.

[Question] What factors will cause prices to increase?

[Answer] That is a very delicate matter. Recommendations were made to the cabinet a few days ago before the government announced its rice trade policy. The Ministry of Agriculture recommended that minimum prices be set. I agree with this. I support this. If we do not have a target in setting minimum prices, things will just drift. It will be as if people do not care and things are allowed to happen by chance. The government is not making an effort. If we set prices, the government would have to make an effort to ensure that the farmers receive the prices announced. I feel that the Ministry of Agriculture's recommendation

is suitable for the farmers. That is, once a clear statement has been made, the farmers will feel better.

[Question] What use should be made of the Farmers' Welfare Fund?

[Answer] This fund can be used to help exert pressure. It is like an intervention or price support to encourage the merchants to make purchases. If things are allowed to proceed based on the market situation, the situation will continue to be very dismal just as it is now. There is much export competition. But this does not consider the low prices paid to the farmers. This is a proper method for ensuring that large quantities are exported. But an effort must be made to ensure that good prices are paid. We can't allow things to be done freely with people selling at whatever price they want. Prices must be set. On this, I agree with the Ministry of Agriculture. Otherwise, prices will be cut. If prices are cut, the farmers will not be able to make a profit no matter no much they sell. And in setting minimum prices for export, the prices should not be set so high that the farmers are unable to sell their rice. We have to follow the market situation to know how high to set prices.

[Question] Next year, will you ask to participate in formulating the policy?

[Answer] We would like to participate very much. The Farmers' Group would like to participate in formulating the policy. If we have a chance to participate in stipulating various measures, we will point out the facts to the committee. Otherwise, they will just get lost in the numbers and techniques. They will not come in contact with reality. We will exert some pressure if we can participate in the meetings. We will not allow things to drift or depend on fate like today.

[Question] What was rice selling for at the end of the last season, and what are prices like at the beginning of this 1984/1985 season?

[Answer] When I checked at the end of last season, the price was approximately 3,100 baht, which was fair. The farmers had little rice. But during harvesting seasons, such as now, the price is only 2,700-2,800 baht. This shows that rice prices at the beginning of the season are quite low. But after the farmers have sold their rice, the price tops 3,000 baht. The government talks about 3,000 baht after the farmers have sold all their rice. There is very little left. Only the wealthy farmers have any left. The percentage is very small. We have to talk about the great majority. Most sell at the beginning of the season. After harvesting the rice, they rush to sell it. Otherwise, they will have to pay interest, and their creditors will press them for the money owed them.

[Question] Will having the Bank for Agriculture and Agricultural Cooperatives and the Cooperative Trade Organization receive rice pledges from the farmers have a good effect?

[Answer] If resolute action is taken, I think that this will have a good effect. Minimum prices should be set for the rice pledged. Once such prices have been set, we can make pledges at higher prices. At present, they use the market situation to receive pledges. For example, the price is now about 2,700 baht. In receiving pledges, they pay approximately 80 percent of that price. As a result, the farmers pledge their rice for a low price but have to pay a high rate of interest. The Bank for Agriculture and Agricultural Cooperatives charges 14 percent interest. Actually, they borrow from the Farmers' Welfare Fund at only 2 percent interest. This is exploitation. Because actually, the money in the fund comes from the premiums paid by the farmers. And yet, the farmers have to pay this high rate of interest. They should make only a small profit to cover the cost of their operations.

Since the Bank for Agriculture and Agricultural Cooperatives has done things this way, the Cooperative Trade Organization has followed suit. If there is no minimum price, such as 3,500 baht as we have asked for, when we sell for 2,700 baht, they actually pay the us only 80 percent. If farmers sell rice at only 2,800-2,900 baht, once the interest is added in, they will still be losing money. It would be better to sell at a loss from the beginning of the year.

[Question] How will this year's yield compare with last year's?

[Answer] Last year, the yield reached approximately 18-19 million tons. This year, the yield [per rai] has declined. However, the area has increased and so the yield should be at least 19 million tons. The yield will be at least as great as last year and may even exceed it somewhat.

[Question] Will the second rice crop have an effect on paddy prices?

[Answer] A slight effect. Once this rice becomes available, rice prices will drop slightly. Things are different from when there was only the annual wet rice crop. Then, we knew we could sell the rice at a high price at the end of the year. Thus, we could borrow money and make a large profit. But now, since definite pledge prices have not been stipulated, accepting pledges will have little effect. That is, interest rates will rise, too. And so occasionally, farmers will lose money when they sell later.

[Question] Farmers in Suphanburi and Lopburi have made appeals. What role will the Farmers' Group play?

[Answer] We are now holding meetings. Members of the Central Committee of the Farmer's Group are holding meetings to discuss the problems of the farmers. We are discussing measures to submit to the government. We are compiling figures on production costs and will ask the government to set prices that will allow us to cover the costs.

[Question] What will happen if the government does not do this?

[Answer] After we have presented our proposals to the government, if it fails to take action, the farmers will have to take action. The situation will become more tense. In particular, the Farmers' Group, which represents the farmers, will have to struggle alongside them since there is no way to negotiate with the government. If the government remains indifferent and things become very difficult for the farmers, the Farmers' Group will have to struggle alongside them. If they hold a demonstration in Bangkok, we will have to join them. This will be necessary if the negotiations fail to achieve results. This is what the farmer representatives from the various provinces have been saying at the meetings.

But we do not want the matter to go that far. We know that the government is experiencing many problems. But the well-being of the farmers is important, too. At the very least, the government should talk with the farmers. Even if the government cannot meet our demands, if it explains the reasons and does what it can, I think that this will help ease the situation.

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CSO: 4207/100

THAILAND

TRAWLER SEIZED BY VIETNAMESE GUNBOAT

BK130136 Bangkok BANGKOK POST in English 13 Feb 85 p 1

[Text] Samut Sakhon--A Vietnamese gunboat attacked and seized a trawler and its 17-man crew on Monday, the vessel's owner said yesterday.

Panya Panyasakhon, of Mahachai Market, said the skipper of the Chanphen 9 was seriously wounded in the attack.

Mr Panya said he received a radio message from another of his boats, the Chanphen 19, saying the Chanphen 9 was fired on while fishing with 14 other trawlers in international waters near O.B. Lek Island, about 40 nautical miles off Vietnam.

The Vietnamese vessel, an armed trawler, approached the vessel and fired shots, wounding the skipper. The skipper fell overboard and six crewmen dived in to rescue him.

He said the Vietnamese then seized the Chanphen 9 while the other trawlers escaped. The Chanphen 19 did not know where the seized trawler was taken.

Mr Panya said the six crewmen managed to keep the skipper afloat for 2 hours before they were picked up by the Chanphen 19.

The Chanphen 19 said it would berth with the skipper and six crewmen at Bang Sare, Chon Buri Province.

CSO: 4200/528

THAILAND

THAI PROSTITUTES OVERSEAS, ECONOMIC IMPACT NOTED

Bangkok THAI RAT in Thai 31 Dec 84 p 8

[Article by Damrit Chukiet: "Thai Prostitutes Overseas"]

[Excerpts] We are becoming proud of goods that are "Made In Thailand." Many countries in Europe, the United States, the Middle East and even Asia have known about and used Thai goods for a long time since they feel that Thai goods are quality goods.

Figures on the number of prostitutes in the country were revealed at the end of December 1982 at a seminar on "Legal Measures Concerning Prostitution." It was revealed that there were approximately 500,000 prostitutes then (current figures have not been officially released).

As for Thai prostitutes who go abroad, both voluntarily and involuntarily, to earn a living, in his capacity as the chairman of the House Subcommittee on Cultural and Social Affairs, Dr Yupha Udomsak, an MP from Phichit Province, stated in parliament on 23 September 1983 that there are about 100,000 Thai prostitutes overseas (the figure for 1984 has declined, but this has not been confirmed officially).

Thai prostitutes go to Europe, the Middle East and America to sell their bodies in exchange for several hundred million baht a year. The countries that they go to include Germany, France, Iraq, Turkey, Lebanon, Cyprus, Syria, Greece, Egypt, Saudia Arabia, Japan, Hong Kong, Malaysia, Singapore and Brunei.

Smuggling Thai girls abroad to work as prostitutes is an activity that has earned huge sums of money for those engaged in this. Some people engage in other business activities as a cover. Some of these people are very prominent socially. Many own tour companies and airplane ticket agencies that operate out of Japanese bars and restaurants. Thais and foreigners work together to find girls.

Many of the Thai prostitutes who go overseas to work do so posing as actresses, tourists and servants. Some even have marriage licenses showing that they are married to a foreigner. Of course, the person who sponsors them is a member of the gang that has sent them abroad.

Some use fake passports and fake visas depending on the arrangements made by the gang. The agents pay the gangs approximately 15,000-50,000 baht per person. If the person does not have the money to pay them, she can pay later after she goes to work. It is like the saying, "fly now, pay later." A well-known arrangement is for the girl to repay the debt using the money earned from her first 120 customers. Those who do not owe any money receive a share of the money based on the arrangement.

From what is known, let's try to look at what the lives of these girls are like.

Germany: It is easy to travel to and from this country since it is not necessary to have a visa for visits less than 3 months. Agents and Germans make contact in Thailand. Some girls are tricked into thinking that they will be given a job there. Some go voluntarily. When they get to Germany, the agents put them to work in a bar. Others are confined and forced to work as prostitutes.

Greece and Cyprus: Thai girls who go to earn a living in these countries have to pay only 10,000 baht apiece. Most work in bars and nightclubs. Usually, they pose as actresses or occasionally housekeepers. Thai girls are not even afraid to go to a place like Lebanon, where there is much fighting. They go to earn money without giving a thought to the war going on there.

Hong Kong: The girls have to pay approximately 20,000 baht each. Most of the girls go to work in massage parlors. This is another good source of money that girls of this sort like to go to earn money.

Singapore: This country has a strict policy aimed at suppressing prostitutes, particularly Thai prostitutes, who hide in the brothels. Officials in Singapore have announced that a reward will be given to any official who catches a Thai prostitute there (if it is a brothel, we call it "Nariuphathamyot"). Thus, officials arrest many girls.

Japan: The largest number of Thai prostitutes work in Japan. There are at least 10 gangs in Thailand that send Thai prostitutes to Japan. Most of these are people at tour companies and at airline agencies who have formed a gang. They include these girls in large tour groups. When they arrive at the airport in Japan, Japanese gang members meet them at prearranged places.

Working in Japan is very risky and difficult. Because when the girl's visa expires, the owner of the brothel will make the girl go find her own place to live. Some girls cannot bear the strain and turn themselves in to Japanese officials. These girls are sent back to Thailand. But most of the girls continue to live and work there illegally for a time before turning themselves in to Japanese officials for deportation to Thailand. Some unfortunate girls are sold to the Yakuza, an influential Japanese gang. They are forced to earn money for and serve this gang.

As for the number of Thai prostitutes working overseas, a report issued in February 1984 states that there are approximately 3,000 in West Germany, 2,000 in Greece, 5,000 in Japan, 4,000-5,000 in Hong Kong and 500-600 in the Middle East. (Exact figures are difficult to obtain.)

Police Lt Col Phonphat Suyanan, the deputy superintendent of Police Precinct 1, Suppression Division and a member of the special action unit to suppress those who trick girls into going abroad to work as prostitutes, which is headed by Police Col Sarasi Suthison, the deputy commander of the Suppression Division, talked about Thai prostitutes abroad:

"In 1984, we smashed at least 10 large gangs. It can be said that at present, there are no longer any large gangs. Those who send Thai girls abroad to work as prostitutes have changed methods. They send girls in groups of two to five people posing as tourists. They no longer send 10-20 girls at one time. This makes it difficult for officials to arrest these people."

As for the trend concerning Thai prostitutes abroad next year, Police Lt Col Phonphat said that because of the resolute suppression measures taken by the police, the number of Thai prostitutes going abroad will decline. Specifically:

In Japan, the statistics for 1984 show a decline of almost 50 percent since the Japanese government and the Japanese embassy in Thailand have cooperated fully with the Thai police.

In Germany, the trend is still up, especially during the winter. This is because Germany has cooperated very little on this matter.

In Greece, Hong Kong, Macau and Singapore, the number of prostitutes declined in 1984. This is because the officials in these countries took strict action and meted out heavy sentences. This has frightened Thai girls.

This means that next year, the number of Thai prostitutes working abroad, a type of "commodity" that Thailand does not want to export and that earns large sums of money for the country, will decline.

Because of this, Thailand's balance of trade deficit will grow even larger and foreign currency brought in by these girls will be lost. Last year, Thai prostitutes in Japan alone remitted at least 500 million baht to Thailand. When the money remitted by the prostitutes working in all the other countries is included, the total amount is very large.

It is interesting that when Thai prostitutes go abroad to work and send back several hundred million baht a year, the "state" benefits a little. But when they work in Thailand, the "state" does not benefit at all. The state cannot collect taxes on prostitution even though this business earns a million baht a day.

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CSO: 4207/105

MILITARY AFFAIRS AND PUBLIC SECURITY

JOURNALIST INTERVIEWS PRISONERS TAKEN BY VIETNAMESE FORCES

Hanoi QUAN DOI NHAN DAN in Vietnamese 5, 6 and 7 Dec 84

[Article by Ha Pham Phu: "An Area Within the Tri-Border Region"]

[5 Dec 84, p 2]

[Text] Although Senior Colonel Phan is a veteran staff cadre, when he took out the plastic covered map from its shiny leather case and spread it on the table, his weathered face could not hide the emotion he felt. Could it be that the areas represented by the light and dark colored grid squares brought back thoughts very deep in his memory about battles, about victories and the loss of life that he had experienced or witnessed? He spread out his roughened hand and slowly ran it along the map. His bright eyes squinted. His Hue, part Hanoi accent made him feel familiar to you, made you feel as though you could trust him.

--"This tri-border region here"--Senior Colonel Phan said as he slowly withdrew his hand--"has always been considered a hot spot. I am, of course, not referring simply to the weather, even though the dry season here is very severe. However, it is not entirely accurate to view things as being confined only to this tri-border region. The events that we have been observing are not confined to the geography of Chhep (Cambodia), Muong Mun (Laos) and the P. area (Thailand).

All along the border between Cambodia and Thailand and the border between Laos and Thailand are numerous bases (graveyards) of bandits of all kinds, who are supported and protected by the Thai and international reactionary powers. From there, like so many germs, they make their way along trails, trails they call corridors, into the three countries of Indochina where they spread their disease."

The final rains of the rainy season were still falling but the people of northeastern Cambodia were already holding their water festival to celebrate the subsiding of the water and the start of the dry season. Sitting on a boat heading up the Mekong River, I saw banana leaf rafts here and there filled with flowers, cakes and fruits on which little houses had been erected. The jungle roads were slowly beginning to dry. Canvas covered vehicles were starting to roll, joined by cadres from the front agencies on their way down

to the various units. It seemed as though all of northeastern Cambodia was on the move, the tiger had awakened from its nap.

Senior Colonel Phan peered through the window at the scattered forests, appearing deep in thought:

--"So, another dry season is beginning and the enemy will start making trouble again. Of course, we will not sit still, but that is something we will talk about at a later date. Right now, I only know that another scorching dry season is beginning."

The senior colonel's fate has been linked to the battlefield of northeastern Cambodia since the days he spent fighting the United States. In 1979, his unit carried out the famous attack that liberated Preah Vihear, and they have been there ever since. The succession of rainy seasons and dry seasons has left lines on his face that stand out like deep furrows and make him look even tougher.

--"By that"--I returned to our original topic--"you mean to say that this region is a powder keg, am I correct?"

--"You're right"--Senior Colonel Phan smiled--"But there is more to it than that. You are speaking figuratively. The actual situation is far more complicated. Take a look at the map. You see that there are virtually no high mountains in northeastern Cambodia and seemingly endless jungles stretch from Ratanakiri through Stung Treng to Preah Vihear. But, at the Cambodia-Thailand border, the terrain abruptly rises. The Dangrek range, which runs almost due west to east, stands as a huge barrier rising to an average altitude of 500 to 600 meters with rock walls and crevices shrouded in fog that must be crossed by means of rope ladders at many places. At the junction of the Cambodia, Laos and Thailand borders, the mountain chain abruptly bends in rugged folds and then runs northward to form a natural border between Laos and Thailand.

At that point, Thai soil juts out like a goiter on the neck of Chhep District. That part of Thailand is notorious for being a home to all kinds of Indochinese reactionary organizations.

Nature was truly cruel when it gave the Dangrek range gentle, flat slopes over by Thailand, slopes that can be cultivated, slopes on which roads can easily be constructed, not to mention their tremendous military significance.

The Cambodia-Laos border is edged by the Se Lam Pau River. This region has virtually no vehicular roads and no means of transportation, other than dug-out boats, oxcarts and elephants.

The tri-border region is a remote, sparsely populated region of rugged terrain. It was not without reason that Pol Pot's forward general staff headed by Ta Moc built its 'graveyard' in this region. There are also Lao bandits, FULRO bandits and the other reactionaries within this region, too. Perhaps you know that across the border, about 3 kilometers inside Thailand, there are storehouses crammed with Chinese weapons and equipment and products

called 'refugee' relief aid provided by a number of international organizations. Also there are camps for soldiers' families, medical aid stations and fields of corn and rice, all of which, of course, it goes without saying, belong to the Pol Pot remnant forces and other reactionaries. A 12 meter wide road built through cooperation between Thailand and Japan runs along the border and from it run smaller roads into these areas, thus bringing to mind the picture of an oil pipeline and its storage tanks.

Think of the bandits' bases as nests of locusts, of blood-sucking jungle leeches that cling to the borders between Thailand and Cambodia and Thailand and Laos. The bandits taking shelter in those nests are supported, consoled and indoctrinated and then make their way along the trails back to harass and attack the Cambodian, Lao and Vietnamese revolutions. It is truly difficult for me to describe precisely where these trails are but the green lines I have drawn on the map indicate where enemy infiltration is most frequent. Surely you haven't forgotten Vo Dai Ton, the notorious bandit who made his way along these trails to Vietnam, from Thailand through Laos and into the Central Highlands of our country."

Senior Colonel Phan stopped speaking. I searched on the enlarged staff map for some place names. Even though I knew the coordinates, I could not locate Romun, Khem Village, Srau, Noong Nga... The senior colonel gave me an understanding look and said:

--"Let me show you. They are here, here and here. Bear in mind that these are the names of places at which our troops remained for only a short while. Combat missions have taken them all over this region of disease infested jungles and mountains, to places inhabited only by wild animals, even to places to which wild animals dare not go. And, also bear in mind that our fight against the bandits will not end as long as there are bandit bases on Thai soil."

I now knew that the fight being waged by Vietnamese volunteer forces alongside the armies and peoples of Cambodia and Laos will continue to be a hard, complicated fight and continue to drag on. As the days go by, the names of localities in Laos and Cambodia that are not on the map will become as well known to us as Romun and Khem Village are today. The thought suddenly came to me to find out some information about the bandit bases on the other side of the border.

Senior Colonel Phan advised:

--"You should interrogate some of the prisoners. Surely that will provide you with the material you need for an article."

Taking his advice, I went down to a re-education camp to ask some of the bandits what they knew about the bases in that area during the period preceding their capture.

Na Rinh has a face shaped liked a plow share, long, dirty hair, yellowish eyes (perhaps the result of attacks of Malaria) and a voice so shrill it could cut through ginger. He was a soldier of the 2nd Company, the 11th Battalion, the

81st Regiment of the 801st Division, which was subsequently renamed the 811th Division, stationed in the P. area of Thailand (the Pol Pot bandits have established a rather large number of divisions but their actual troop strength is very low). I asked Na Rinh:

--"What was your job in the Pol Pot forces?"

--"Sir, I worked in transport."

--"Tell me about your job."

--"My job was to transport weapons, food and other military items from the large warehouses (central warehouses) in the rear to the smaller warehouses on the front (the Pol Pot gang considers the area of Cambodia that lies along the border with Thailand to be the front)."

--"How many central warehouses and smaller warehouses are there in your division's rear?"

--"Sir, there are 3 central warehouses and 12 smaller warehouses."

--"What did you normally transport?"

--"Usually B-40 and B-41 mortar rounds, H-12 rockets, anti-tank mines and anti--personnel mines from China, even U.S. M-79 and M-72 rounds."

Every time he answered, Na Rinh bowed his head, occasionally raising his eyes and glancing at me and the interpreter. He stammered when he spoke and was sometimes confused. I let him rest for a moment to regain his composure. Suddenly, he exclaimed:

--"Sir, I was only a transport soldier. I surrendered on the way to our destination and made a full and honest statement."

I knew that Na Rinh had been persuaded by a Khmer mother to turn himself in, but, to reassure him, I said:

--"Tell me everything you know. The representative agencies of the Cambodian revolutionary government will consider your case for clemency."

--"Yes!"--he glanced up at me and then lowered his head.

--"Tell me about the P. area."

--"Let, let me tell you"--he stammered--"P. is nothing more than the name of a village in Thailand but the P. area is very large. My job only involved transporting supplies from the central warehouses to the smaller warehouses, so, I don't know a lot. The persons who drive the trucks deep within Thailand know more than I. I have only heard that in that area, in addition to our army, are the forces of Mr. Son Sahn, of Mr. Igot (FULRO) and Mr. Vang Pao. We have three divisions there. My division is commanded by Mr. So Ron, the 920th division by Mr. San and I do not know the name of the other division or

its commander. At the central warehouse at which I worked, about 10 trucks arrived from deep within Thailand each day to be unloaded."

--"What was the nationality of the drivers?"

--"The persons I saw were Cambodian so I am sure that there are other units of ours deep inside Thailand."

--"Did you have any contact with the local Thai populace?"

--"Yes! We took explosives and wool clothing into Thai villages to trade for tobacco and soap or sell for money."

--"What did you do when you weren't transporting supplies?"

--"Sir, we stood guard, went on patrols and raised corn and rice. Occasionally, our superiors sent some of us into Cambodia. Most of those persons never returned."

--"Like you?"

--"Yes, they probably died or were killed."

Uc Phuong, who was also a transport worker, has a shifty kind of face, but not so shifty that one shies away from looking at her. At the re-education camp, she is working as a tailor. Her daughter was running about playing in the yard where prisoners assemble to read newspapers each afternoon and climbing up and down the steps of the stilt houses (the prisoners live in stilt houses that are divided into many small compartments). Both Uc Phuong and her husband were Pol Pot soldiers.

[6 Dec 84, p 2]

[Text] I asked her:

--"What is your husband's name, did you know each other before you were married?"

Uc Phuong closed her eyes, as if my question had aroused a feeling of compassion within her. But the icy expression quickly returned to her face.

--"My husband's name is Pha"--she replied--"we did not know each other before we were married."

--"Then why did you get married?"

Even though I had heard a lot about the Pol Pot regime assigning persons marriage partners and deciding who would marry whom in the communes of some years ago, I still could not help but be astonished.

Indifferent, Uc Phuong replied:

--"Sir, our superiors told us whom to marry. My battalion commander, a person named Phuon, called me in one day and said: 'Tomorrow you will take a husband. Your husband's name is Pha, remember it!' I was given half of the next day off; I bathed and put on a good skirt. I arrived at the place where the wedding would take place on time and found that six other women were already there, none of whom I knew. There were seven of us all together. Not one of us knew even what our husband to be looked like and not one of us said a word about that to each other. Everyone was silent. When we did speak, we spoke in a whisper and guarded our words. Taking a husband, like transporting rice and ammunition, was a revolutionary duty. I peeked into the marriage room. It was decorated like rooms are decorated for the opening of a conference, with flags and vases of flowers. The regimental and battalion commanders were sitting in the front with their hands resting on their thighs and a solemn expression on their faces. They gave us the signal to enter. We entered in a file and took the seat with our name on it. Then, seven men entered and took their seats. Pha took the seat opposite mine. He was a fair complected, small person, but not ugly. The room fell silent. Then, we were ordered to join hands. Battalion commander Phuon stood up and said: 'Your superiors have given you permission to take each other in marriage. Once you have been joined together, you may not abandon or beat your spouse and must fulfill your task well.' That first night, we laid beside each other not knowing what to say. Pha was a platoon leader from Cang Dan. That's all I knew and all I needed to know. As for Pha, he only asked me who my parents are and where I was from.

Those of us who had no children lived with our units and were only allowed to return to our homes and live together on days off. On the day I gave birth, Pha was also given 1 week's leave. He gathered firewood and stole military goods which he took to a Thai village to trade for some canned meat, some soap and a face cloth. After Pha left, I didn't let anyone see what I had. I kept silent and did not dare complain about anything. In the camp for the wives of soldiers, I knew that many persons had fought with or shot someone over nothing more than a can of meat or a piece of soap."

--"Did you love your husband?"

--"At first, I did not. After our child was born, I think I felt love for him."

Having said that, Uc Phuong again blinked her eyes to hold back tears. Pot's policy of coercion was not without its effects. I continued:

--"As you describe it, life in the jungle was not always a life of comfort."

--"Yes, it was very difficult. Although we received grain and food in international aid, our superiors took most of it or it was sent inland or traded or sold to villagers in Thailand. As a result, we were constantly searching in the jungle for tubers to eat. I fell ill and my weight dropped to only 30 kilograms."

--"Then why did you stay with Pol Pot?"

Uc Phuong looked up at me, pursed her lips and exclaimed:

--"After I had grown up, I entered the temple to study and had been there 2 years before the Khmer Rouge took over. I left school to dig ditches and build dams. Then, a woman named Pao, who was in charge of the shock youth, recruited me and I was sent to study typing in Phnom Penh. In early January, 1979, after studying there for one-half year, I was sent to Battambang and then went into the jungle. I was subsequently sent to Preah Vihear, where I joined the army. My unit was a transport unit of the 202nd Battalion, the 62nd Regiment of the 612th Division."

--"During that time, what did you know about the Vietnamese army and the Cambodian revolutionary army?"

--"They told us that Vietnam had invaded our country."

--"What were the circumstances surrounding your capture?"

--"I was captured while transporting supplies with my unit. At first I thought it was all over, that the Vietnamese would surely disembowel me and my child and stuff us with grass. That would mean that we could not be reincarnated."

With that, she appeared embarrassed and bowed her head. I knew what she felt and did not have to question her about it further. She is now healthy and rather plump. Her daughter, who had to cling to her mother's chest from the time she was a little baby (because her mother had to carry Pol Pot's supplies on her back) and who is now robust and as bright as a star in the heavens, is eloquent testimony refuting the lies told to her mother by the Pol Pot regime. Uc Phuong sat in silence, her fingers playing with her new scarf, a scarf that she bought with money earned from the sale of chickens she raises. I asked her one final question:

--"Have you received any news about your husband?"

--"No, nor have I been able to contact him. If he loves his wife and daughter, he'll surrender. If he does not, I'll consider him to be dead."

He was the deputy political officer of a Pol Pot battalion and, at the same time, a member of the area political committee. His base was called by a numbered code name. Detention camp cadres had to spend a considerable amount of time on him.

Sitting there in front of me, he pretended to be slow of mind and replied to my questions very slowly as if counting each word he spoke. He was evasive, was vague and hid what he was thinking. But we never let that impede us in our work once he was made to sit down and forced to be evasive and lie. Through that fog of vagueness behind which he tried to hide, tried to evade my questions, I was gradually able to see the real person, a man named Pun Sin, a man who gave the appearance of being quite obstinate but who was actually struck with fear.

Pun Sin's career can be summarized as follows: he joined Pol Pot's forces in 1973 and was promoted to squad leader 2 years later, then to platoon leader and deputy company commander. In 1977, he became the commander of the reconnaissance company of a regiment in the western military region. In 1978, he joined Pol Pot's party and was a probationary member for the first 3 months. In August 1979, he was put in charge of a regiment that made its way across the border into Thailand. In 1982, he officially assumed the post of regimental commander under the command of Nut. In March, 1983, he was promoted to deputy division commander in charge of rear services and was transferred to the post of deputy division political officer in August. Let us take a look at his activities during that period.

As the deputy division commander in charge of rear services, Pun Sin became a person with authority as a member of the section set up to receive aid goods from China and the other countries. Commander 15 (Ta Moc's code number) regularly discussed their work with him, even though only over the radio, and this made him proud. To Son, Mon and Tan in the aid receiving section, he said:

--"We must show Commander 15 how highly responsible we are and perform this job well so that our international friends have trust in our forces and support us even more strongly."

He used to walk along the convoys laden with boxes emblazoned with the green leaves insignia casting a stern eye at the Cambodian drivers and smiling and waving goodbye to the Thai soldiers that were escorting them. One day, Commander 20 (the code number of Sat, the economic officer of the Pol Pot forward general staff) instructed him to hold discussions and arrange to coordinate with "friendly forces" who had arrived from the "friendly forces" region on two new bicycles. One of them was Vietnamese, the other two were Lao. The Vietnamese called himself Sang, the two Lao were named Van and Thom. Sang spoke first:

--"We represent FULRO. Because we share a common opposition to the communists in Hanoi and Moscow, it was decided that I, along with Van and Thom who represent the Lao (bandits), come and discuss a number of things that we view as necessary. As you know, our forces must temporarily remain on friendly Thai soil. However, because of misunderstandings, some regrettable incidents have occurred. We've been shooting at one another over nothing more than the plundering of crops or because our operations have spread into one another's area and sometimes for no reason at all. Therefore, at the suggestion of a number of friends, we feel that we should discuss with one another reorganizing our defense zones and sharing cropland. Surely the Lao are not opposed to this."

During that trilateral meeting, Pun Sin, Sang, Van and Thom discussed plans for coordinating the operations of the Khmer Rouge, FULRO and White Lao forces. When they said goodbye, because Sin had displayed a rather sharp mind, Sang, even though he was somewhat older than Sin, praised him:

--"You're a very capable man, Mr. Sin!"

Pun Sin bowed his head and humbly accepted the praise given by his FULRO comrade-in-arms. It was most likely because of his outstanding performance during that meeting that he became deputy division political officer.

[7 Dec 84, p 2]

[Text] Nut and Pun Sin were summoned to study politics in a class instructed by Ta Moc himself. When they returned to their division, Sin said to Nut:

--"Why do we fight the Vietnamese when all we do is keep losing? Commander 15 (he spoke the code number of Moc in a tone of respect) says that we must learn from our experience. What has our most significant experience been? It is that we do not know the Vietnamese well. Because we don't, we lose when we fight them and mistakenly start shooting at each other. What we have to do is organize numerous small groups to penetrate the interior, cling to the populated areas, cling to the main roads and discredit the Heng Samrin government if we are to successfully fight Vietnam."

Although he had repeated the very same things that his superiors had been told by their bosses, he still thought that he had a very bright mind. He had little regard for the thinking of Nut, a veteran division commander. In March, 1984, he headed the unit that welcomed a Chinese "diplomatic delegation" that had arrived to visit the region. The delegation chief, Liang Bin, the vice chairman of the Guangxi Revolutionary Committee, arrived by car from Thailand properly attired in traditional dress. He shook hands with Pun Sin, winked and asked:

--"When did you lose that part of your hand?"

--"Comrade, I was wounded in 1977 while leading a unit to conduct reconnaissance in a border district of Vietnam." He spoke with the politeness of a politician.

--"Good for you, you are a true soldier on the frontline against the petty hegemonist Vietnam, that's very good."

Late last year, a Thai delegation headed by Xao, a deputy province chief, also visited the region. Xao stayed on as his guest for 4 days, during which time the two had quite cordial conversations. He reported on the visit to delegation chief Liang Bin.

--"Xao and the Thai delegation went up to the frontline to observe Vietnamese forces and, when they returned, they promised to send us a number of specialists in public health and other work, especially grain and food operations. The Thai journalist who accompanied the delegation wrote very fine things about us in the Bangkok papers." (This was told to him by a Thai public health worker who came to work in the area medical aid station).

Liang Bin expressed satisfaction with this. At the insistence of Pun Sin, he personally addressed the area's cadres from the regimental echelon upward.

--"My Cambodian friends"--he said--"You are manning the frontline in the fight against the hegemonists. Allow me to report to you that your vast rear area is the great country of China, a country of 1 billion people, a country that is successfully carrying out the four modernizations. Today's very strong Chinese army is your dependable base of support. The current world situation is very good. You have the support of many friends. Our Thai friends have given you places to stay and will surely continue to support you even more. China will provide you with many more weapons. Your forces are under strength right now, so, you must use weapons to fill in the holes. Guns will produce political power, guns will produce forces for you."

Pun Sin, brimming with confidence, decided to go down to the regiments and organize political studies. He went first to the regiments operating in the O. region. Unfortunately for him, he was captured by the revolutionary army after his forces were wiped out and he became lost in the jungle.

He is a fanatic to his cause. At 32 years of age, he has never loved a woman. He was hooked on a girl named Xon like someone addicted to tobacco but felt no feelings of want toward her. He placed his cause above everything.

I asked him:

--"Do you have any friends on the other side of the border?"

He muttered a bit before saying in measured words:

--"I have no friends, only comrades. My party chapter consisted of four persons: Khon, Pac, Venh and myself. The other three, who were not captured, are doing the same kind of work I was doing."

I told the detention camp cadre to take Pun Sin back to his quarters and stack my notes. I wanted to erase the image of him from my memory but that loud voice of his and the way he talked, as though he was counting each word, kept pounding in my head, making me feel uncomfortable. As long as there continue to be Khon's and Pac's, continue to be bases of Pol Pot, Ieng Sary and Khieu Samphan and such "ordinary middle ranking" men as Moc and Sat, the collaboration and schemes of sabotage in which Pun Sin participated will continue.

Senior Colonel Phan was one of the persons who helped put together the plan to attack and occupy one of the bandit bases in Cambodia near Thailand. When I returned from the detention camp for the Pol Pot bandits, he immediately asked:

--"Well, journalist, did you get what you needed?"

--"Sir, I got part of the story, the rest I'll have to get from you"--I replied.

He smiled broadly, expressing an understanding of what I wanted. He led me into his office, made some tea and began talking.

--"As soon as we finished wiping out the last stronghold of enemy resistance"--he said--"I went right there. As it turned out, what we found was somewhat different than what we thought from the reconnaissance conducted before the battle began. Here, let me show you what the crime base of the enemy in area X was like."

He moved the teacups on the table around to represent hills. With my limited knowledge of military affairs, I tried to follow what he was telling me:

--"As I told you earlier, the Dangrek range rises like a barrier but there are some places where it abruptly drops off, becomes rather flat and forms natural passes which, with only some improvements, can be made into vehicular roads. To visualize this, picture these passes as throats through which they send weapons into the O. region, the P. region and even the S. region. They therefore did everything they could to defend those passes. They had constructed numerous field fortifications there, many separate trench lines and built obstacle fields covered with anti-tank and anti-personnel mines. There were booby traps buried in the ground, booby traps on the trees and even the anti-personnel and anti-tank mines were booby trapped to prevent them from being disarmed. Along the corridor, they had deployed an equally dense firepower network of recoilless rifles, B-40 and B-41 mortars, AT's and M-79 and M-72 mortars. When we attacked, the fire from them fell like rain. One of our soldiers observed that 'they were firing recoilless rifles like we fire AK's.' Although that was not really the way it was, it does give you an indication of how heavy the enemy's firepower was. They had challenged the Vietnamese volunteer forces to attack this area. According to statements made by prisoners, their division commander said: 'We will win victory, a 100 percent victory, because, if we do not win victory over Vietnam, there is no sense to suffer such hardships for the revolution.'

I stood at that base (or what was temporarily called a base) and looked over into Thailand (if the Thai reactionaries knew that a senior colonel of the Vietnamese volunteer force was looking over into their country, they would have screamed in fear)--the senior colonel laughed so hard that his eyes closed--"And what did I see? Rows of stilt houses running along either side of the border, a veritable town, what they call in the West 'refugee camps.' But who are those refugees? The majority of them are the families of enemy soldiers, who are managed and used by the enemy to transport supplies, build roads, build bases..."

He stopped speaking, thought for a moment and then said in a low voice:

--"We won a large victory in that battle but left some holes open. We failed to tightly encircle them and let some of them flee to their 'graveyard' in Thailand. Like a wounded tiger, those vultures will become more cunning, more vicious."

Suddenly, a vehicle pulled up in front of his door. Several cadres quickly jumped down from the back, laughing and talking loudly. The senior colonel looked outside, turned to me and said:

--"Excuse me, I'll be right back."

He stood up and went outside. Shaking hands with the young cadres, he said warmly:

--"I wish you a good trip. I'll be along shortly."

The bright, high spirited faces of the young cadres generated a feeling of excitement in me and drew my attention. Such were the sounds of the opening stanza of the dry season.

Northeast Cambodia
The start of the 1984 dry season

7809

CSO: 4209/142

INTERNATIONAL RELATIONS, TRADE AND AID

PCF'S MARCHAIS RECEIVES SRV PARTY DELEGATION

OW131826 Hanoi VNA in English 1552 GMT 13 Feb 85

[Text] Hanoi VNA, 13 Feb--Georges Marchais, secretary general of the French Communist Party (FCP), on February 12 received Le Duc Tho, Political Bureau member and secretary of the Communist Party of Vietnam Central Committee (CPVCC) who led the CPV delegation to the 25th FCP congress.

Among those present at the reception on the French side was Maxime Gremetz, Political Bureau member, and secretary of the party Central Committee and head of its external relations commission. On the Vietnamese side were Vu Quang, member of the CPVCC and head of its international department, and Ha Van Lau, Vietnamese ambassador to France.

Le Duc Tho conveyed to G. Marchais and other FCP leaders, best wishes from Vietnamese Party General Secretary Le Duan.

On behalf of the CPV, Le Duc Tho hailed the success of the 25th FCP congress and reaffirmed the solidarity and the traditional friendship between two parties as well as the support of the communist party, the working class and the people of Vietnam for the French Communist Party, working class and labouring people in their struggle at a new stage.

For his part, Georges Marchais stressed that the FCP would always side with the Vietnamese working class and people in the struggle for building and defending their socialist homeland.

The reception proceeded in an atmosphere of close solidarity and traditional friendship between the two parties and two peoples.

In the afternoon of February 12, Le Duc Tho visited Choisy-le-Roy on Paris outskirts, which swore sisterhood with the Dong Da precinct of Hanoi. This was once the headquarters of the Vietnamese delegation to the 1968-73 Paris conference on ending the U.S. war of aggression in Vietnam. Le Duc Tho also called on the Maurice Thorez higher party school of the FCP.

CSO: 4200/534

INTERNATIONAL RELATIONS, TRADE AND AID

LE DUC THO VISITS VIETNAMESE EMBASSY IN PARIS

OWJ31439 Hanoi Domestic Service in Vietnamese 1100 GMT 13 Feb 85

[Text] While in Paris to attend the 25th French Communist Party Congress, Comrade Le Duc Tho, member of the Political Bureau and secretary of our party Central Committee, visited the Vietnamese Embassy, and had a cordial meeting with all cadres of our Embassy and UNESCO, trade, and news agencies, and Vietnamese trainee and research students who are studying or working in Paris.

After solicitously enquiring about the situation of our cadres' work, study, and life in France, Comrade Le Duc Tho talked about the situation at home. He also met with more than 200 Vietnamese nationals in Paris who represent different circles, sectors, and chapters of the Association of Vietnamese Nationals in France. He was highly pleased to meet again Vietnamese nationals who, for many years, had made important contributions in the diplomatic struggle that led to the signing of the Paris accords on Vietnam, and thanked them for their sympathetic contributions to the country.

CSO: 4209/233

INTERNATIONAL RELATIONS, TRADE AND AID

HANOI QUOTES U.S. CONGRESSMEN ON REAGAN'S POLICY

BK131633 Hanoi Domestic Service in Vietnamese 0500 GMT 11 Feb 85

[Text] A few days after his inauguration, a new U.S. president usually delivers his state of the union address, presenting the new administration's domestic and foreign policies. Ronald Reagan, however, did not follow this conventional practice. He read the state of the union address on the evening of 6 February, half a month after his inauguration, which was also his 74th birthday, and received more criticism than praise from the American public. Many people who voted for Reagan are now strongly criticizing his government's reactionary and warlike policy and its irresponsible attitude. They point out that Reagan's eloquent address is deceitful and it contains nothing specific--indeed, its content is various--and ignores such facts as the serious federal budget deficit and the tense world situation.

Senate Democratic Leader Robert Byrd observed that Reagan's policy contradicts the fine words of his address. Representative Michael Barnes said that Reagan is proposing cutbacks in the budget and in programs that benefit working and low-income people, and that, in fact, there are many inconsistencies between what Reagan said and his budget. Senator Bingaman pointed out that Reagan has touched up the rosy economic picture he has painted. Senator Robert Dole said that moderate members of the Republican Party are strongly criticizing Reagan.

CSO: 4209/233

INTERNATIONAL RELATIONS, TRADE AND AID

BRIEFS

POLAND, CSSR AMITY GROUPS--Hanoi, 15 Feb (VNA)--The executive committee of the Vietnam-Poland Friendship Association met here today under the chairmanship of its President Nguyen Chan, alternate member of the Communist Party of Vietnam Central Committee. The meeting reviewed the activities of the association and its local chapters in the past period, affirming that they actively contributed to promoting and consolidating the solidarity, friendship and cooperation between the Vietnamese and Polish peoples. It has also decided that this year the association will set up more chapters in localities and take part in organizing the celebrations of major anniversaries of the two countries. Also today, the Vietnam-Czechoslovakia Friendship Association executive committee met here in the presence of its President Dan Huu, alternate member of the CPV Central Committee. The meeting reviewed the VCFA's past activities and adopted a program of actions for 1985, including activities on Czechoslovakia's 40th national day. [Text] [Hanoi VNA in English 1552 GMT 15 Feb 85 OW]

BERLIN YOUTH GROUP SENDS PRESENTS--Hanoi, 15 Feb (VNA)--The Berlin organization of Free German Youth League has presented Hanoi's youths and children with quantities of musical and sport instruments, stationery and clothes. The token of the gifts was handed today by Lothar Snener, charge d'affaires a.i. of the Embassy of the German Democratic Republic in Hanoi, over to Nguyen Quoc Trieu, deputy-secretary of the Hanoi Youth Union Committee. [Text] [Hanoi VNA in English 1558 GMT 15 Feb 85 OW]

PCI GROUP TO HAIPHONG--Hanoi, 15 Feb (VNA)--The visiting delegation of the Communist Party of Italy led by Mrs Giglia Tedesco Tato, member of the CPI leadership and vice-president of the Senate of the Republic of Italy, visited the northern port city of Haiphong on February 14 and 15. It was accompanied by Mrs Nguyen Thi Dinh, member of the Communist Party of Vietnam Central Committee. The delegation was warmly welcomed by Doan Duy Thanh, member of the CPV Central Committee and secretary of the Haiphong Party Committee, and many other local officials. Doan Duy Thanh said that this visit contributed to strengthening the friendship and solidarity between the communists and other peoples of Vietnam and Italy. He informed the delegation of the city population's remarkable achievements in local development and their contributions to national construction and defense. The delegation visited the harbour, an agricultural cooperative, and a number of local economic and

cultural establishments. Earlier, the CPI delegation visited the Hanoi-based offices of the Central Committee of the Vietnam Women's Union and the Vietnam Committee for Solidarity and Friendship With Other Peoples. [Text] [Hanoi VNA in English 1542 GMT 15 Feb 85 OW]

USSR HELPS FISHERY DEVELOPMENT--Hanoi, 15 Feb 9VNA)--Soviet experts are actively helping Vietnam work out plans for developing fishery in the coming five years, reports TASS. A group of cadres of the Soviet Institute of Pacific Fishery and Oceanography is carrying out measures aimed at quickly implementing the program of food production in Vietnam. Over the past six years, scientists of the two countries have made 14 surveys and carefully taken photographs of Vietnam's sea areas. The results of these works are the bases for developing fishery and the exploitation of other sea products. They are joining efforts in drawing maps of sea, sea currents and sea-bottom and in observing the temperature and degree of saltiness of Vietnam's seas. [Text] [Hanoi VNA in English 1533 GMT 15 Feb 85 OW]

SRV-USSR ECONOMIC COOPERATION--Hanoi, 16 Feb (VNA)--Dozens of factories in the Far East region of the Soviet Union are supplying industrial products for Vietnam. These include electric equipment and cable from Khabarovsk city, foundry equipment, electric cranes and rolled steel from Komsomolsk-na-amure city, and harvest combines from Birobidzhan city. V. Paskopskiy, representative of the Soviet foreign trade in the Far East region, said that economic cooperation with Vietnam is mutually beneficial. Textiles and garments from Vietnam are much appreciated in the Soviet Union. Even in the coldest winter days, fresh vegetables are available to the people in the Far East region. The volume of commodities exchanged between the two countries on the basis of long-term agreements has doubled in the past ten years. [Text] [Hanoi VNA in English 1507 GMT 16 Feb 85 OW]

HO CHI MINH CITY-LAO TRADE PACT--Hanoi, 19 Feb (VNA)--An agreement on trade cooperation for 1985 was signed in Ho Chi Minh City recently between trade delegations of Savanakheth Province (Laos) and Ho Chi Minh City (Vietnam). Signatories were Nguyen Thanh Lac, director of the foreign trade company of Ho Chi Minh City, and Bounthon Sonesakda, member of the Savanakheth party committee and head of the Savanakheth trade company. The two sides discussed measures to increase bilateral trade cooperation in order to contribute to strengthening the fraternal relations and all-round cooperation between the two provinces. [Text] [Hanoi VNA in English 0657 GMT 19 Feb 85 OW]

BEDJEDID RECEIVES SRV'S NGUYEN GIAP--The vice chairman of the Council of Ministers of Vietnam, General Giap left Algiers shortly after noon. Speaking on departure about his meeting with President Chadli [Bendjedid], General Giap said this enabled him to discuss matters concerning the consolidation of relations between the two countries as well as the ways and means to strengthen peace and friendship between peoples. General Giap expressed satisfaction with the contribution made by Algeria to the consolidation of peace, to the independence of peoples, and to social progress. He described his visit as "generally positive." [Excerpt] [Algiers Domestic Service in French 1830 GMT 13 Feb 85 LD]

SRV-USSR ART COOPERATION--Hanoi VNA, 14 Feb--An agreement on cooperation for 1985-86 between the Vietnam Plastic Art Workers Association (VNPAWA) and the Union of Artists of the USSR was signed here this afternoon. Signatories were Duong Vien, secretary general of the VNPAWA and Butkevich, member of the Secretariat of the Union of Artists of the USSR and the Union of Russian Artists and editor-in-chief of the DEKORATIVNOYE ISKUSSTVO magazine. Under this agreement, the two sides will exchange their experiences, exchange visits by artists and art researchers, as well as exhibitions and information. During its Vietnam visit, the delegation of the Union of Artists of the USSR paid tribute at Ho Chi Minh Mausoleum, and visited Quang Ninh Province, Ho Chi Minh City and several cultural establishments in Vietnam. [Text] [Hanoi VNA in English 0713 GMT 14 Feb 85]

SPORTS GIFTS FROM USSR--Hanoi VNA, 14 Feb--The sports and physical training services of Ho Chi Minh City recently received sports gifts from the Soviet Physical Culture and Sports Commission. The gifts include canvas shoes, stockings, balls, badminton rackets, boxing gloves and full equipment for a boxing ring. The gifts were handed over by O.A. Voklov, Soviet Consul General to Ho Chi Minh City, to Le Buc, director of the service at the opening ceremony of this year's national soccer tournament on February 10. [Text] [Hanoi VNA in English 0718 GMT 14 Feb 85]

SRV-LAOS FRIENDSHIP ASSOCIATION MEETING--Hanoi VNA, 14 Feb--The executive committee of the Vietnam-Laos Friendship Association met here today in the presence of its president, Hoang Truong Minh, who is also member of the Communist Party of Vietnam Central Committee. It reviewed the association's activities in the past and worked out a program of actions for the coming period. The participants heard a report on the Lao people's achievements over the past year in the fields of agriculture, forestry, industry, culture and national defence and security. They noted with joy that the special friendship and comprehensive cooperation between Vietnam and Laos have been constantly consolidated and developed. The association plans to arrange diversified activities in anticipation of the 30th anniversary of the Lao People's Revolutionary Party and the 10th National Day of the Lao People's Democratic Republic. [Text] [Hanoi VNA in English 0728 GMT 14 Feb 85]

SRV-USSR AMITY ASSOCIATION ACTIVITIES--Hanoi VNA, 14 Feb--The Hanoi Chapter of the Vietnam-USSR Friendship Association, has so far had 52 branches at various economic, cultural and social establishments, including eight branches which have sworn sisterhood with their Soviet counterparts. Diversified activities such as teach-ins, talks and [word indistinct] on the Soviet land and people as well as on the friendship between Vietnam and the Soviet Union have been held by these branches on many occasions to make the people understand more about the Soviet Union and the friendly relations and cooperation between the two countries. This year, the chapter plans to expand its branches to new establishments and step up their activities, especially in honour of the Soviet Union's great anniversaries such as V.I. Lenin's 115th birthday (April 22) and the 40th anniversary of the victory over German fascism (May 9), etc. [Text] [Hanoi VNA in English 1631 GMT 14 Feb 85]

GREETINGS TO BAHRAIN LIBERATION FRONT--Hanoi VNA, 14 Feb--The Central Committee of the Communist Party of Vietnam has sent warm greetings to the leaders of the Bahrain National Liberation Front (BNLF) on the 30th anniversary of the BNLF. The message says: "Over the past 30 years, the BNLF has constantly sided with patriotic and progressive forces in the fight for national liberation from the yoke of the British colonialists in the past, and against the U.S. and reactionaries' scheme to turn Bahrain into a neocolony and military base of imperialism for real independence, well being, democracy and social progress in Bahrain as well as for peace and cooperation in the Persian Gulf area. We fully support your just struggle and believe that the revolutionary struggle of the BNLF, though still facing many trials, will certainly be crowned with success. "May the friendship and solidarity between the CPV and the BNLF, between the peoples of Vietnam and Bahrain further consolidate and develop." [Text] [Hanoi VNA in English 1626 GMT 14 Feb 85]

GREETINGS FROM NICARAGUA--Hanoi VNA, 14 Feb--Revolutionary Commander Bauardo Arce Castano, chairman of the Political Commission of the National Leadership of the Sandinista National Liberation Front, has extended his greetings to Le Duan, general secretary of the Communist Party of Vietnam Central Committee, on the 55th anniversary of the CPV. The Nicaraguan leader said in his message: "On this occasion we would like to express our full support for the initiatives put forward by the three Indochinese foreign ministers at their 10th conference. These initiatives have demonstrated the aspiration for peace of the parties, the governments and the peoples of Vietnam, Laos and Kampuchea. These initiatives are reasonable which aim at solving the regional issues and peaceful coexistence among Southeast Asian countries. [Text] [Hanoi VNA in English 1629 GMT 14 Feb 85]

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PARTY ACTIVITIES AND GOVERNMENT

RESOLUTION ON STATE-RUN INDUSTRY MANAGEMENT

BK140521 Hanoi NHAN DAN in Vietnamese 17 Dec 84 pp 1, 2, 4

[Text] To execute the resolution of the Sixth Plenum of the Fifth Party Central Committee, on 30 November 1984 the Council of Ministers issued Resolution No 156-NHDT on a number of issues concerning improvement of management in state-run industry. From 13 to 15 December, the Council of Ministers held a conference to disseminate the resolution and to discuss drafting of circulars to guide its implementation. Comrade Do Muoi, member of the party Central Committee Political Bureau and vice chairman of the Council of Ministers, opened and summed up the conference. Following is the text of the Council of Ministers' resolution:

To implement the resolution of the Sixth Plenum of the Fifth Party Central Committee, the Council of Ministers has decided on a number of issues concerning improvement in state-run industry as follows:

1. Concerning the Restructuring and Reorganization of Industrial Production

1. Restructuring of Production

The restructuring of industry must ensure development in accordance with state programs and plans and be aimed at building a rational economic structure; bringing into full play the strengths of sectors, areas, localities, and, especially, of concentrated industrial zones; closely combining various economic elements of which the state-run elements plays the leading role; concentrating all capabilities on fulfilling the key tasks of the state plan to create an actively and effectively balanced position; reestablishing socialist order in production and business; and creating favorable conditions for applying the new managerial mechanism to achieve high economic efficiency.

We must proceed from the general economic and industrial situations and from the party's and the state's economic policy to restructure in accordance with each economic and technical sector countrywide--including centrally- and locally-run enterprises and production installations of different economic sectors--and closely coordinate sectors with territorial units and localities. This restructuring involves revamping of commodity production and readjustments of lines of products to meet socioeconomic requirements. It also involves the rearrangement of production installations, of industrial and equipment production--with attention given to homogenization of the production chain--of the

work force, and of the various economic elements in industry, in coordination with socialist transformation in goods production and circulation in order to ensure the leading role of the state-run economy.

On the basis of restructuring of production and in order to make the fullest and most effective use of existing and newly-created capabilities and to absolutely practice economization (first of all of electricity, petroleum, coal, raw materials...), right from the beginning of 1985 the state plan provides that the principal means of production must be concentrated upon the production of important products in support of production, exports, life, and national defense, and products that are important sources of revenue for the budget. Priority must be given to state-run enterprises making these products, especially enterprises capable of large production volumes and high economic efficiency. The Council of Ministers shall decide on a nomenclature of important products and of enterprises entitled to priority treatment in the entire national economy. The ministries and provincial and city people's committees shall determine the important products and the enterprises entitled to priority treatment within sectors and localities according to their own ability to achieve balance.

For those enterprises not belonging to the priority category, the ministries in charge and the provincial and city people's committees should give encouragement, guidance, and assistance in promoting the spirit of activity and creativity, strengthening relations of cooperation, and expanding economic integration and joint-venture operations in order to secure more sources of raw materials, supplies, spare parts, and markets for their products. This is aimed at fully and effectively utilizing existing production capacities and, when conditions permit, developing production further. We should fully utilize the existing equipment capacity to manufacture new lines of products in demand in society with new sources of raw materials and supply.

For those enterprises which, in the immediate as well as distant future, still lack proper conditions for production work, and those enterprises which have suffered losses over a long period and which are not required to carry out the policy of necessarily maintaining production, we should actively shift them to other sectors wherein conditions exist for efficient production. We must resolutely dissolve production installations that have recently developed spontaneously, that do not have economic efficiency, and that are prejudicial economically.

We should concentrate on providing guidance so that restructuring work will have been completed by the end of 1985 for the key sectors and important localities such as Hanoi, Ho Chi Minh City, Haiphong, Quang Ninh, Vinh Phu, Bac Thai, Quang Nam-Danang, and Dong Nai.

2. Reorganize production.

a) In the short term, the primary task of the various ministries, general departments, and provincial and municipal people's committees is to build production establishments into stable and strong socialist enterprises.

To do this on the basis of correctly determining production orientations, commodity structure, and product plans, production establishments must actively reorganize production in such a way as to ensure their effective operation.

Depending on the requirements for combining the various operations involving production and the processing of raw material and integrating the techniques for turning out the finished products and making comprehensive use of raw material, independent enterprises or combined enterprises may be set up. Given our country's current conditions, along with consolidating independent enterprises which are now predominant, it is necessary to pay attention to broadening the organization of combined enterprises if economic-technical conditions are met and if clearcut economic results are deemed to be attainable, especially industrial-agricultural, industry-forestry, and industry-fishery combined enterprises.

b) It is necessary to set up state-run united enterprises along with developing various economic-technical branches.

It is necessary to set up science-production combines in localities where the conditions permit.

It is necessary to correctly carry out the functions of the ministry in charge as stipulated in Decree No 35-CP dated 9 February 1981 and the functions of united enterprises and enterprises as stipulated in the statutes for united enterprises and enterprises; and to respect and fully develop the right to financial autonomy, initiative, and creativity of enterprises and combined enterprises. State administrative management organs (ministries and provincial people's committees) must strictly carry out their state management function without interfering in production-business operations of the enterprises.

Ministries must carry out management in accordance with the spirit mentioned above in order to consolidate the existing united enterprises, set up new united enterprises that do not meet the requirements and operate only for form's sake and without practical results.

Concerning the size of united enterprises, in the current situation attention must be given chiefly to setting up regional united enterprises. National united enterprises should only be set up to meet specific requirements if conditions permit. In those provinces and municipalities serving as industrial centers where there are many production establishments belonging to the same branch, provincial or municipal united enterprises may be set up under local management.

c) Concerning branches which consist of many economic components, it is necessary to set up groups of products each of which is controlled by a leading state-run enterprise. The operational area of a group of products is chiefly a region, province, municipality, precinct or district with a fairly large concentration of industrial establishments. Production establishments belonging to a group of products shall jointly discuss the exploitation of the various sources of capabilities concerning raw materials, supplies, spare parts,

the division of labor, and cooperation in production; exchange and disseminate experiences concerning technology and management; and help one another overcome difficulties in the production process.

d) It is necessary to develop cooperation, integration, and joint business activities with the aim of joining efforts to create additional sources of raw material and supplies, broaden investments (especially intensive investments), apply new techniques, organize production operations, make full use of the existing production capacity, and develop new production capabilities in accordance with the development plans and programs of the various branches and localities.

Integration and joint business activities must be entered into the plans of the participating establishments and be covered in economic contracts which shall be forwarded to economic arbitration organs as required by the division of labor and decentralization of management in this field.

e) Ministries and provincial and municipal people's committees must urgently effect the division of labor and decentralization of management while rearranging and reorganizing industrial production in accordance with the directives and resolutions already promulgated by the party and state so as to create favorable conditions for the application of the new mechanism of management.

II. Planning

a. The plan of an enterprise, a combined enterprise, a united enterprise, a corporation, or a general corporation (which will all be referred to here as enterprises) is a unified technical-financial production plan (involving planning for the economic life of workers and civil servants as well as for their social welfare) prepared by the relevant enterprise with the help of those workers, civil servants, and mass organizations concerned that have already been motivated by this enterprise to develop their collective mastery. Such a plan must be prepared on the basis of exploiting the four sources of capabilities and under the guidance of the next-higher management echelon.

The plan of an enterprise must be balanced both in terms of cash and in goods. These two aspects must be combined and integrated. Alongside the official approval of an annual plan, we must draw up a plan for the ensuing years in order to ensure uninterrupted production. The state must concentrate on providing essential material means (energy, raw materials, equipment, spare parts, transportation, support services, and so forth for the manufacture of important products and to those enterprises that are granted priority privileges. The state must assign legal plan norms to enterprises on the basis of ensuring particularly essential material conditions for each production sector, including those material conditions to be provided by either the central or local level or by relevant enterprises themselves in a regular manner in order to ensure the implementation of their plans.

Through various policies and economic incentives concerning pricing, profits, credit, the consumption of products, export and import (which will be specified in the part dealing with the economic-financial policy), the state must

encourage enterprises to exploit other sources of capabilities (of their own through their efforts to achieve joint business ventures with other economic organizations; to increase exports so that they can afford imports; to obtain loans from banks, including loans in foreign currencies; and so forth) in order to supplement the inadequate source of supply provided by the state and to ensure that their registered plan norms are higher than the legal norms assigned to them by the state. In addition, enterprises can seek to exploit other new sources of capabilities in order to turn out more products than the legal plan norms (including essential and secondary products).

b. Sentence of plan formulation.

1. In the 2d quarter of the year, the head of the next-higher management echelon of an enterprise is to inform this enterprise of the following:

--The orientations, tasks, and targets of the enterprise for the next year (for production output and income).

--Guidance figures about the capabilities for supplying materials, energy, support services and about the consumption of products as well as information on economic-technical standards and norms.

--Information on the market situation at home and abroad and on prices.

--Economic organizations responsible for supplying materials and for matters concerning product consumption.

Enterprises must act on the basis of requirements and guidance figures provided by higher echelons, on market demands, on consumption possibility, and on various sources of materials to contact other economic units to discuss and sign economic contracts, using these contracts as a basis for plan formulation.

2. In the 3d quarter of the year preceding the planning year, based on the guidance figures and on information provided by higher echelons, on approved economic-technical norms, on prospects for the exploitation of various sources of capabilities, and on economic contracts to be signed, enterprises must map out a unified production, technical, and financial plan for submission to the next-higher management echelon.

3. By December of this year preceding the planning year at the latest, the next-higher management organ must consider this plan and assign legal norms to these enterprises. As for above-quota products, the only thing these enterprises have to do is to notify the next-higher management organ.

4. In the process of implementation, enterprises can revise the plan, and this must be reported to the next-higher management organ for information.

If, because of objective reasons, legal norms cannot be fulfilled despite all attempts, enterprises must report this to the next-higher management organ in order to ask for an adjustment to be made at the beginning of the 3d quarter of the planning year.

After plan norms are assigned, if the organ that has assigned these norms wishes to make any changes, it must discuss this with the enterprises concerned and must guarantee necessary conditions for the implementation of these changes.

c. The system of legal norms consists of:

1. Marketable output value with the export portion to be clearly specified.
2. Products to be turned in according to the categories and qualities prescribed by the state and to those contracts already signed, with the portion reserved for export having to be clearly specified.
3. The extent of production cost reduction, specifically: the extent of production cost reduction as compared with the preceding year with regard to cost-comparable products; the extent of production cost reduction as compared with planned production cost with regard to new products; and the general extent of production cost reduction.
4. Income and other budget contributions, including the portion of foreign currencies accumulated if the relevant enterprises have products for export or if they participate in export-related operations.
5. Essential materials provided by the state (or by central- and local-level organizations) in accordance with legal plan norms.

These legal norms apply to those products manufactured mainly from materials provided by the state or from materials obtained by relevant enterprises themselves and registered by them in their plans. As for other products, these norms serve only as guidance criteria. Enterprises must comply with state regulations on product consumption and must carry out their obligation of making contributions to the state.

In addition, the next-higher management organs must assign more guidance norms to enterprises such as those for the application of technical innovations, for the reduction of material expenses in manufacturing essential products, for the increase in labor output, and so forth. All these are aimed at increasing the production-business efficiency of related enterprises.

d. Defend and accept plans.

An enterprise must defend and accept its plan from the head of its next-higher management organ.

When defending a plan, the relevant enterprise must clearly present facts about economic-technical bases, about the sources of funds, and about economic contracts for the supply of materials and support services and for product consumption.

e. Examine and audit the result of plan implementation.

The Council for the Examination of the Results of Plan Implementation must examine and audit the results of plan implementation in a timely, scrupulous, and faithful manner on the basis of the plan already approved and assigned to the relevant enterprise. The same thing must also be done to those economic contracts already signed with other economic organizations if plan implementation and those objective conditions that may have an impact on plan implementation are to be guaranteed. It is necessary to oppose any indication of unfaithful reporting on the status and results of production and business.

Such an examination must have a realistic standard and must be carried out in such a way to avoid perfunctoriness, inconvenience, and waste for related enterprises.

f. Ensure the efficiency of plans assigned to enterprises.

---All materials supply organizations (including materials importing organizations) and other organizations such as transportation, production support services, banking, and so forth...must strive to overcome difficulties in ensuring a sufficient supply of essential materials; important secondary materials; and those means such as transportation, support, and credit services; and so forth...in accordance with the legal norms and with those contracts already signed. Depending on the results of plan implementation, these organizations will be rewarded or penalized materially by the related enterprises. As an immediate task, it is necessary to overcome resolutely and promptly phenomena of officialdom and to eliminate nonuseful intermediary links, red tape that causes inconvenience and delay, and other negative phenomena.

The Central Institute for the Study of Economic Management must study and submit to the Council of Ministers a regulation stipulating a system of responsibility for authoritative organs dealing with planning, finance, pricing, and so forth...as well as with the results of plan implementation by enterprises.

--Increase the activities of economic arbitrators in the process of signing and implementing economic contracts in conjunction with efforts to expand the scope of the application of economic contracts and improve the qualities of these contracts. Economic arbitrators at the central level must submit to the Standing Committee of the Council of Ministers supplementary stipulations on the system of economic contracts so that these stipulations can be promulgated by the end of 1984.

III. Economic Accountability

Economic accounting is now a very weak task characterized by its perfunctoriness and its failure to reflect correctly the results of production and business.

To combine planning with economic accounting and socialist business, it is urgently required that economic accounting in enterprises be consolidated and strengthened in accordance with the following principles:

--Ensure enterprises' independence in production and business and the right to self-government in finance under the centralized and unified leadership of the state.

--Use the income of enterprises to cover production costs and to secure profits.

--Encourage enterprises by material incentives and hold them responsible for the material results of their activities.

--Supervise the production and business operations of enterprises through financing.

As an immediate task, we must gradually account for all the necessary production expenses in manufacturing costs; prompt the struggle to increase productivity, quality, and effectiveness; and, at the same time, overcome the phenomena of negativism, loose management, and irresponsibility, thereby ensuring profits for enterprises.

1. The Finance Ministry is duty bound to institutionalize enterprises' right to financial autonomy and to determine their authority and material responsibility. On this basis, enterprises will determine the authority and material responsibility of workshops, production cells and teams, organizational units, and individual workers in the enterprises.

2. Economic-technical norms must be perfected.

In 1984 and 1985, the State Planning Commission, the State Commission of Science and Technology, the Labor Ministry, the sector management departments, the people's committees of provinces and cities, and primary installations will review the current norms, make necessary amendments and addenda, and determine average and advanced norms for each sector or each group of enterprises to serve as a basis on which to formulate their plans to provide materials and account for and evaluate the results of production and business in primary installations.

3. The accounting of production costs must be revamped.

The State Planning Commission initiates action together with the Finance Ministry and the State Price Commission to request the Council of Ministers to publish the system of production costs in December of 1984.

In 1985, all state-run enterprises and joint state-private enterprises must determine the planned production costs, in accordance with the promulgated economic and technical norms and with the state's financial and pricing policies, and must scrupulously audit actual production costs. When assessing the implementation of plans, it is necessary properly to analyze, examine, and settle the imbalance between planned and actual production costs and to eliminate all irrational and unreasonable expenditures such as expenses surpassing the economic and technical norms because of subjective causes, casual increases in prices against the state's directed prices, increases in fines

resulting from violations of economic contracts, and other expenses not specified in the system.

The State Planning Commission, in coordination with the State Prices Commission and the Finance Ministry, is responsible for guiding enterprises in gradually including the expenses for wages, capital depreciation, and imported materials in production costs. At the same time, it must study measures to deal with factors that increase production costs. While waiting for new policies and systems, the Council of Ministers provides the following temporary regulations:

a. With respect to the prices of materials used in production:

--The state-provided materials must be accounted for and their costs included in the manufacturing costs of products in accordance with the state directed prices.

--The materials procured by enterprises (including imported materials) must be accounted for and their costs included in the manufacturing costs of products in accordance with the actual purchase prices determined by authorized agencies on the pricelists established according to managerial regulations.

b. Concerning the depreciation of fixed assets:

--The Finance Ministry together with related sectors will urgently take inventory to reassess the fixed assets in 1985 and to make the system of deducting from the sinking fund more rational.

The following tasks must immediately be carried out:

--Increase the rates of depreciation for major repairs in line with the prices of materials, spare parts, and repair costs of the fixed assets.

--For production installations and products for which the wholesale prices in the enterprises can be adjusted to conform with increases in production costs without greatly affecting industrial wholesale prices or wholesale prices of materials, it is necessary to calculate accurately the necessary capital depreciation based on the value of the fixed assets and a more rational time of depreciation.

--For fixed assets that are completely amortized but still participate in production, the capital depreciation can still be included in the manufacture costs of products. Enterprises may enter this sinking fund into their incentive funds for production development, not their budgets.

--For cases in which amortization for real estate has not been completed but the real estate is already damaged and does not participate in production, amortizations continue to be made, but the enterprises do not lump them with production costs but deduct them from their profits.

c. Wages must be fully accounted for in production costs.

d. The Finance Ministry must readjust all the standard norms for all expense items for the general management of workshops and the management of enterprises, making them correspond to the current real situation.

4. Beginning in 1985 we must restore and regularly perform the task of economic accounting in enterprises:

--In workshops, we must account for production results, materials, equipment, machinery, labor, wages and the results of thrifty practices.

--In production cells and teams, we must account for production results, materials, labor, and wages.

--As for individual workers and groups of workers, we must account for the results of their implementation of product and work contract norms.

5. We must scrupulously implement the systems of state accounting, initial entries into records, state inspection and control, and final auditing of finances and materials.

The General Statistics Department and the Finance Ministry should request the Council of Ministers to approve by the end of 1984 all modifications to the accounting and industrial statistics systems in conformity with the new management system. All the printed forms must be thoroughly modified but must be practical and simple.

6. We must regularly analyze economic activities in factories, workshops, and production teams and cells, and cross check them with the planned targets, technical-economic norms, and economic and financial management systems and regulations, paying attention to productivity, quality, and effectiveness.

IV. Economic-Financial Policies

1. Finances of enterprises

The Finance Ministry will amend some systems to create favorable conditions for enterprises to fully implement their right to financial autonomy, especially in the following areas:

a. Create favorable conditions for enterprises to obtain necessary capital for their production and business operations, including:

Self-procured assets: Enterprises are allowed to build up and expand these assets from various sources;

Budget-supplied assets provided in accordance with the system in force, including fixed and liquid assets.

Production incentive assets are used to develop production;

Amortizations for capital depreciation are left behind for the enterprises;

Amortizations for capital depreciation of real estate for which all amortizations have been made and which still participate in production, and the real property in which investment is made with self-procured assets of the enterprises or with bank loans;

Foreign exchange assets that the enterprises are entitled to use;

All revenue items that are stipulated by the state regulations;

The self-procured assets of last year can be brought forward to the current year without having to be delivered to the state budget;

Capital construction investments in major and special projects will be provided by the state budget; enterprises will use self-procured assets to make in-depth investment in minor construction projects; if self-procured assets are insufficient, bank loans will be procured;

Liquid assets: Enterprises that have recently engaged in production will get half their liquid assets from the state; the other half will be filled by bank loans. Enterprises must use part of their self-procured assets to make up their liquid assets. In case of changes in production tasks, prices of materials, and wages increases that enterprises cannot bear with their self-procured assets, the Finance Ministry, the state bank, and other ministries involved must promptly redetermine the level of liquid assets for enterprises.

b. The Finance Ministry shall promptly request the Council of Ministers to promulgate a number of specific systems:

--The system of leaving behind capital depreciation amortizations for enterprises to use for maintaining the productivity of real property and for technical renovation. Depending on the nature of the real property and the requirements for technical renovation of each enterprise, part or all of the amortization can be left behind for the enterprises, and the Finance Ministry together with the ministry concerned will formulate specific regulations on:

--The system of profit collection and profit extraction to set up enterprise funds;

--Improving the state revenues system in accordance with the party Central Committee's Sixth Plenum resolution, and so forth.

2. Credit

The state banks must promptly consider and approve enterprises' rational demands for liquid assets to guarantee production and business; accelerate the issuance of loans to enterprises for technical renovation, rationalization of production, expansion of production, and exploitation of materials. Attention must be paid to giving priority loans to enterprises in which investment is productive, allowing for quick recovery of the principal.

Banks must reestablish rational levels of cash balances as well as the loan and cash withdrawal systems and must promptly meet enterprises' requirements for the expansion of production and business in accordance with the new management system. Between enterprises and banks there must be plans and contracts on cash deposits and withdrawals so as to ensure sound, production-business operations and, specifically, to procure seasonal raw materials. Enterprises must correctly implement the cash deposit system and must not violate the state cash management system. Banks must promptly meet the legitimate cash requirements of enterprises and must not adopt an overbearing attitude or be a nuisance to enterprises.

The improvement of credit operations creates favorable conditions for enterprises to ask for loans when needed while ensuring the effective and correct management of loans.

The state banks issue foreign exchange loans to enterprises capable of paying their debts to import materials, fuel, spare parts, machinery, and equipment needed to expand production, improve technical work, and produce export goods and substitutes for imports. Enterprises must pay their debts--both the principal and interest--in foreign exchange to the banks.

Enterprises authorized by the Council of Ministers to guarantee the prompt payment of their debts with interest in foreign exchange may borrow funds from foreign countries under the sponsorship of the state bank to import materials and equipment for the development of production. They are authorized to establish a foreign exchange account with the state bank and to use this account in accordance with the state regulations on the administration of foreign exchange.

The state bank must develop its central payment role to promote the rotation of funds in the national economy and contribute to eliminating the misuse of each year's funds and prolonged debts among various economic units. In cases of overdue debts, the bank will notify the fund-misusing enterprise of the deadline and may recoup funds from the self-procured assets of the enterprise to reimburse any enterprises whose funds have been misused.

3. Prices.

a. All enterprises must calculate their production costs in accordance with the production expenses accounting principles prescribed in the economic accounting sections.

b. The wholesale prices of enterprises must be applied to all products of state-run enterprises and joint private-state enterprises under central and local management.

The wholesale prices of enterprises are determined on the basis of rational production costs plus profit margins specified in point 4.

Production costs, which serve as the basis for determining the wholesale prices of enterprises, are calculated according to the average progressive

norms on materials used for production and on labor costs and are examined and approved by authoritative echelons. Production costs are determined depending on:

--The production conditions of such enterprise or of each group of enterprises with similar production capabilities.

--Materials used for production are provided by the state or supplied by the relevant enterprise itself.

c. As for the prices for products consumed by an enterprise:

It is necessary to comply with the regulations on price control promulgated together with Decision No 33-HDBT on 27 February 1984 of the Council of Ministers. Specific attention must be paid to:

--Applying the set prices to those important products.

--Applying prices flexibly to other products in accordance with the standard pricing guidance provided by authoritative organs and with the state stipulations on the division of responsibilities for management over prices.

Those production enterprises delivering their products to a united enterprise, a general corporation, or a state-run trade corporation, will be paid according to the wholesale prices applied to enterprises. Any profits obtained from the disparity between enterprises' wholesale prices and industrial promotional wholesale prices must be considered as state income and must be quickly turned in to the state budget as soon as products are transferred from the production sector to the circulation sector. Enterprises, not consumption organs, are responsible for collecting and turning in these profits to the state budget following the delivery of their products to consumption organs. If the price set by the state for the consumption of a product is lower than enterprises' approved wholesale price, the circulation sector will have their losses in this regard compensated by the state budget. In case enterprises sell their products directly to households for consumption, they must observe the prices and the collection system set by the state. The Ministry of Finance must provide concrete guidance on budgetary funds and on accounting procedures.

With regard to those sums of money obtained through the disparity in prices (if any), the Ministry of Finance and the State Price Commission will specify clearly the parts to be turned into the state budget as well as the parts that enterprises are allowed to keep.

Enterprises must formulate pricing plans and carry out correctly all procedures governing the submission of proposed prices for approval in accordance with regulations on price management. All price organs must consider for approval prices proposed by enterprises no later than 30 days--or 15 days if the prices are for products or raw materials needed for crop cultivation--from the day they receive the proposed prices in accordance with prescribed procedures and regulations. After that deadline, the enterprises concerned will be authorized to make purchases and sales in accordance with the prices they have proposed.

Enterprises must correctly comply with all the regulations on price management set by the state.

4. Income and the distribution of income.

a) Income levels will be calculated in percentages according to rational production costs, which have been approved and applied to various sectors as follows:

--15-20 percent for the following sectors: mining, petroleum and natural gas exploitation, and geological research;

--13-18 percent for the following sectors: forestry and marine products exploitation; stone and sand exploitation; metallurgy; and machine manufacturing;

--10-15 percent for the following sectors: essential chemicals, chemical fertilizer, insecticide, baked construction materials, pottery, ceramics, glassware, and medicinal chemicals;

--7-12 percent for the following sectors: electric power, paper, leather, tailoring, and printing of publications;

--5-10 percent for the following sectors: consumption chemicals, weaving, dyeing, food industry, cultural works, and other industrial sectors.

The Ministry of Finance must join with the State Price Commission and other related sectors in stipulating concrete percentages for each sector as well as for every product of each particular sector and in guiding various ministries and provincial and city people's committees in stipulating the level of income for other products in accordance with state stipulations on price management.

The fixed income for products made from materials that enterprises have obtained by themselves and that have been registered in their plans can be determined on the basis of the fixed income of products of the same sort made from materials provided by the state.

b. On profits of enterprises, they are specifically distributed as follows:

--For products whose norms are legally compelled:

If the products are manufactured with state-supplied materials, the enterprises can keep 50 percent of the products, and the remaining 50 percent is turned over to the budgets (central and local budgets).

If the products are manufactured with self-procured materials, 60-80 percent can be retained by the enterprises, while 20-40 percent is turned over to the budgets (central and local budgets). The Finance Ministry, together with the ministry concerned, shall determine the specific norms for each industrial sector and, depending on the registration since the beginning of the year, shall make additions in the process of implementing the plan.

For products whose norms are not legally prescribed, after taxes and state revenues have been delivered, the profits from the products will be used to establish three funds of the enterprises.

After such mandatory payments have been made for economic contract violations, overdue debts to banks, and irrational or illegal expenses that cannot be unaccounted for as part of production costs, the remaining (considered as 100 percent) profits left behind in enterprises will be distributed to the various funds according to the following proportions:

--A minimum of 35-40 percent to the incentive fund for production development and to replenishing liquid assets depending on the production sectors and without any set limit. Of this percentage, one to three percent will be used to establish concentrated reserve funds at joint enterprises or ministries and services.

--The remaining profits--after one percent has been used to establish a fund for ministers (director general of joint enterprises and corporations, if any)--are used to establish welfare and incentive funds. The directors of enterprises, together with the trade unions, decide the proportions earmarked for each fund, approximately one-third for the welfare fund and two-thirds for the incentive fund.

If the incentive fund exceeds 30 percent of the basic wages fund, the enterprises must deliver a certain percentage pending on the accrual in excess of their quotas to the state budget according to the specific regulations of the Finance Ministry.

The enterprises' directors, together with the trade union locals, establish projects for using the entire welfare fund left behind for the enterprises and have these projects discussed and decided upon at a conference of workers and civil servants. The confederation of trade unions and the Finance Ministry provide guidance for the use of welfare funds in enterprises.

This system of distributing profits is applied to those enterprises in which the system of enterprises' wholesale prices has been implemented. With respect to those enterprises that have not implemented this system of wholesale prices as stipulated above (point 3--prices), enterprises may only use the maximum of 10-15 percent of the basic wages fund and the incentive for production development to establish their incentive and bonus fund and welfare fund in accordance with the Finance Ministry's stipulations. The remaining profits--after all the mandatory payments unaccountable for as expenses to be included in production costs have been made--must be wholly delivered to the budget.

5. Labor, wages

Together with the State Planning Commission, the Labor Ministry guides all ministries, general departments, and the people's committees of provinces and cities in providing leadership for enterprises to implement the following tasks satisfactorily:

Expand the system of product contracts in industry: On the basis of enterprises' plans approved by higher management agencies, the enterprises will award contracts to workshops (offices and sections) that will in turn subcontract to production teams and units. The form of giving contracts to production teams and units is the basic form. Depending on the specific situation, production teams and units will subcontract to individuals.

With regard to labor norms: We should review the present norms and establish new ones, especially for major products. On the basis of average-advanced norms, we should readjust, complement, and reestablish norms in conformity with the present real conditions of production in order to ensure properly approved labor norms for all products.

The unit wage cost for one unit of product or the expense in wages for 1,000 dong worth of commodity output is established on the basis of labor norms and quality standards, which are closely administered in accordance with wage policies to ensure the restoration of the work force for production.

The Labor Ministry together with the State Planning Commission will consider and approve the labor norm and unit wage cost for one unit of product in the nomenclature of major products.

The planned wages funds of enterprises are established on the basis of unit wage cost for one unit of product (or the level of expense in wage for 1,000 dong worth of commodity output) and the planned norm and value of commodity output achieved and products delivered.

Enterprises are advanced wages according to their planned wages fund that will be liquidated quarterly. By the end of the year enterprises will conduct a final audit of the fund according to the value of commodity output achieved and products delivered (also taking into account the differences of late and early cycles of products in storage and semi-finished products with respect to those products having long production cycles) in order to increase or decrease the wages fund. In case the plan norms are overfulfilled, enterprises will receive additional wages accordingly. If the plans are not fulfilled, the wages fund will be decreased accordingly. When a decrease in wages fund is considered, we must look carefully into the various causes so as to deal with them satisfactorily. If a subjective cause is involved, enterprises must use their incentive and bonus fund or bank loans to reimburse the banks that have advanced an amount exceeding wages (specific guidance to be given by banks).

Within the limits of their received wages and bonus funds, the enterprise directors are authorized to use the various appropriate forms of salary and bonus payments so as to link salaries and bonuses to production results and profits.

The Central Institute of Economic Management Research will cooperate with the Finance and Labor Ministries to review experiences in the project of charging enterprises with the administration of ration coupons on some staple goods issued to workers and civil servants according to the quality and quantity of their work and labor productivity.

Directors may select workers for the enterprises and terminate their employment in accordance with the state-prescribed system so as to meet the production demands. Workers and civil servants may resign from their jobs on legitimate grounds and in accordance with the state-prescribed system. The form of work contracts must be expanded. The Labor Ministry will study and experimentally apply the labor contract system to enterprises and report the results thereof to the Council of Ministers for decision.

6. The production of export goods must be encouraged.

The level of profits from export products is higher by 10 to 20 percent than the level of profits from products turned out for domestic consumption. Enterprises having export products may "use foreign exchange" in accordance with the current regulations, and may keep a foreign exchange account to support the development of production.

The Ministries of Foreign Trade and Finance will study and determine the redistribution of authority for "using foreign exchange" and profits therefrom to these units which have participated in the production of exportable goods.

If products that can be substituted for longtime imports meet quality standards, they can entitle enterprises to the same incentive interest rates as export products for a period of 1-2 years, depending on the type of goods and the decision of the State Planning Commission. The ministries, general departments, or chairmen of provincial and city people's committees will refer to the demands of enterprises to request the Council of Ministers chairmen to allocate some foreign exchange to enterprises so that the latter can renovate their equipment and import necessary materials for production.

Those enterprises that produce large amounts of export goods and have a stabilized production plan may be authorized by the Council of Ministers chairman to maintain direct relations with overseas markets, establish an organization specializing in export and import, or engage in joint business with foreign corporations under the unified state management control of the Foreign Trade Ministry.

7. Encourage the conduct of research on and the application of scientific-technical innovations, the improvement of product quality, and the practice of thrift.

If enterprises satisfactorily apply scientific-technical innovations, develop their initiatives, improve their production and management efforts to create new kinds of goods, economize on the use of materials, and increase economic efficiency, they will be allowed to keep the portions they have saved--from 1-2 years after their production has become stabilized--so they can use their savings as a means to reinforce their budgets and as bonuses for those participating individuals and collectives inside and outside the enterprises.

Those enterprises successfully increasing the quality of their products up to the standards set by the state will be allowed to increase the prices of their products accordingly. If they fail to attain standards for product quality,

they will have to decrease the prices of their products accordingly and will not be allowed to consume or continue to produce certain kinds of goods. The State Price Commission, the Ministry of Finance, and the State Science and Technology Commission must provide concrete guidance on this matter.

The Ministry of Finance must rely on the above principles in providing concrete guidance on the system of bonuses.

8. Improve the supply and management of materials.

a. The Ministry of Supply must study and report to the Council of Ministers on the following:

--A plan for shifting from the current subsidy-based method of materials supply to the method of handling materials supply in accordance with economic accounting, and for expanding the trading of materials other than those under unified state control and distribution in order to meet requirements for broadening the decision-making right of establishments in production and business.

--Necessary amendments to the system of management over discarded materials and defective products of all sorts if these kinds of materials are to be used in a most effective manner.

b. The Ministry of Supply, the Ministry of Communications and Transportation, the Ministry of Interior, and those ministries handling production must formulate measures to ensure the supply of materials in accordance with agreements for quantity, quality, price, location, and schedule already specified in plans or contracts; to reduce transportation and unloading expenses, to minimize losses, prevent the bad practice of bribery, and create favorable conditions for consumers.

It is necessary to adopt a reward and penalty system for those organizations supplying or transporting materials based on the results of the implementation of contracts.

c. Continue to urge various sectors, localities, and establishments to strictly comply with the system of auditing materials based on the norms of material expenses and on realistic production volumes.

9. Product consumption.

Products turned out by enterprises must have a market and must be delivered under the state plan or economic contracts to those state organs dealing in goods and materials or to those consumer households authorized to receive products directly from enterprises. It is necessary to broaden enterprises' right to deliver directly to consumer households those raw and fresh foodstuffs which are perishable or difficult to transport, those products especially used by a number of sectors, and those products especially reserved for export.

Enterprises can use parts of the products they have made from materials obtained by themselves and of their secondary products to trade for materials needed for production provided that they have their plans approved by higher management echelons. They are also authorized to purchase back at industrial promotional wholesale prices part of their secondary products so that they can resell them to their office and manual workers if needed. Concrete figures for these secondary products will be decided upon by a cabinet minister or by the chairman of the provincial or city people's committee concerned and will be planned by the relevant enterprises. Utmost efforts should be made to prevent products from being siphoned off through this way to the market, making market management difficult.

The organizations which consume products of enterprises are duty bound to receive goods as prescribed in contracts. If they surpass the time limit, they will be dealt with in accordance with the signed contracts: enterprises may let other agencies and enterprises get the products (especially those fresh, living and perishable products). Consumers must indemnify suppliers for all losses caused by the delay in receiving the products (excluding export products to be governed by separate regulations).

Those enterprises with sufficient conditions are authorized to open shops to introduce their new products, sell some of their sideline products as approved by the domestic trade sector, and open service installations to repair their products. They must, however, correctly comply with state regulations on the organization of goods circulation and service.

V. Revamp the management machinery; intensify the basic and advanced training of managerial cadres and technical cadres and workers.

1. In enterprises, we should adequately implement the system in which: "The party leads, the laboring people act as collective masters, the state manages" in line with the new management system. While extending the enterprises' right to independence, creativity, and financial autonomy, we must guarantee the leadership of all party committee echelons, the managerial authority of directors and higher management agencies, and the participation of collectives in the major policies of the enterprises, and intensify the control and supervision of all the activities of enterprises and directors by workers and civil servants.

The basic party committees must lead the various party organizations, mass organizations, and laboring collectives; educate party members and the people on the duty to fulfill their responsibilities; and control the activities of management agencies and unit commanders in accordance with party statutes.

We must adequately implement the regulations of the Council of Ministers on the right to socialist collective mastery of workers and civil servants in the primary production-business installations of the state which were promulgated in Decree No 182-CP on 26 April 1979. The enterprises' directors together with the trade unions will convene a conference of the delegates of workers and civil servants (or plenary conference) who will participate in supervising the managerial task in accordance with the trade union laws and the decision of that Council of Ministers.

The enterprise director, appointed by the state following consultations with enterprise workers and civil servants, represents the state in managing the enterprise. He is the highest leader of the enterprise and is responsible to the state and the immediate higher echelon for all activities of the enterprise, its production-business results, its defense, and the livelihood of its workers and civil servants. All orders and commands of the enterprise director must be scrupulously executed by all enterprise cadres, workers, and civil servants.

The director will maintain his relations with the trade unions and the youth union in accordance with the state law and regulations, and will create favorable conditions for the activities of trade and youth unions' cadres.

A board should be organized in all enterprises. This enterprise board is an advisory agency for the enterprise director. It is authorized to discuss the projects, plans, and policies of training for cadres and workers.

The Central Institute of Economic Management Research, together with the Vietnam Confederation of Trade Unions and the Central Committee Department of Industry will formulate the statutes for the enterprise board then submit them to the Council of Ministers for promulgation by the end of 1984.

2. All ministries, general departments, and people's committees at all echelons, in implementing this new resolution, must revamp, supplement, or make amendments to their procedures and policies or formulate new ones--organizational apparatuses, regulations, or bylaws--to make the enterprise conform to the new management mechanism; must enhance management discipline, the system of issuing and carrying out decisions, and the reporting system; and must sternly handle, as the law dictates, all cases of deliberately making false reports.

Each enterprise must materialize the criterion and position titles of managerial and technical cadres in units, and must perform well the task of planning and preparing reserve cadres.

All ministries, general departments, and the people's committees of provinces and cities should select qualified cadres and appoint them as directors of joint enterprises, general corporations, enterprises, combines, and other important corporations.

3. We should intensify and qualitatively enhance the advanced training of economic management cadres, especially the key cadres of primary installations. The Central Institute of Economic Management Research must conduct advanced training courses for the directors of joint and major enterprises.

We should gradually substantiate the knowledge of economic management for all the leading cadres now working in enterprises by conducting short-term training courses periodically every 3 or 5 years.

All ministries and general departments of industrial management must regularly improve knowledge of scientific and technical cadres concerning the scientific and technological innovations in the sector.

All ministries, general departments and the people's committees of provinces and cities should devise plans to combine the training of technical workers in regular schools with the in-service advanced training in primary production installations through tutorship so as to improve their skills.

VI. Organizational and implementation

1. All echelons and sectors at both central and local levels must strengthen and consolidate the primary installations by making all cadres, party members, and the people at grassroots level thoroughly understand the (Fifth) Party Central Committee's Sixth Plenum resolution and this resolution of the Council of Ministers so that they can realize their duty and own benefits in improving management and will strive to implement the resolutions in an active, positive, well conscious, and fruitful manner.

2. All ministries must use the above regulations as the general basis and, in December 1984, must issue the necessary documents to provide guidance to the enterprises for implementation. There must be close coordination among ministries so that guidance can be provided in a unified and uniform manner. The ministries' guiding documents must be sent to the Office of the Council of Ministers and the Central Institute of Economic Management Research for advice before promulgation.

3. Based on this resolution and the program and plan for implementing the resolution of the Office of the Council of Ministers, all ministries, general departments, the people's committees of provinces and cities, agencies, and service sectors must have specific programs for implementing this resolution. These programs should clearly specify the tasks to be done by them and their immediate subordinates, and the time for completion. All ministries and general departments must concentrate on providing guidance for correctly implementing this resolution at major state-run industrial installations, and on this basis, derive experiences for improving the industrial management system.

This resolution will become effective 1 January 1985 and supersedes Resolutions No 25-CP and 146-HDBT previously issued by the Council of Ministers on industrial management.

For the Council of Ministers Chairman,

[Signed] Vice Chairman To Huu.

CSO: 4209/233

PARTY ACTIVITIES AND GOVERNMENT

VU DINH LIEU, DELEGATION VISIT HA SON BINH

HK131439 Hanoi Domestic Service in Vietnamese 1430 GMT 12 Feb 85

[Text] On 11 February, a delegation of the Council of Ministers led by Comrade Vu Dinh Lieu, member of the party Central Committee and vice chairman of the Council of Ministers, visited the ricefields and reviewed the production status at a number of districts and cooperatives in Ha Son Binh Province. Vice Chairman of the Council of Ministers Vu Dinh Lieu and Minister of Agriculture Nguyen Ngoc Triu talked to peasants working in the ricefields, cordially inquiring after their field work and conveying to them greetings from the Council of Ministers.

The vice chairman of the Council of Ministers praised the party organization and people of Ha Son Binh Province for having upheld the spirit of self-reliance in overcoming the aftermath of the unprecedentedly serious floods in the 1984 10th-month crop season and making satisfactory preparations for practicing intensive cultivation and enlarging the winter-spring crop acreage.

In spite of serious waterlogging and although some localities are encountering life difficulties and shortage of supplies, Ha Son Binh has regulated the distribution of grain and seed and sown 6,295 hectares of seedlings, including over 2,600 hectares on hard grounds, with the seed pattern correctly observed. In particular, the Nong Sghiep 8 rice variety accounts for 50 percent of the 5th-month spring rice acreage. Cooperatives having low-lying ricefields in Ung Hoa, Phu Xuyen, and Chuong My Districts where flooding is serious and the water is draining slowly, have zoned off areas to contain water and sown seedlings in gardens while sowing 5th-month spring seedlings on high grounds so as to ensure transplanting on the entire acreage.

Even during the Tet holidays, pump station cadres and workers made full use of the hours when electricity was available to drain off water from ricefields. The water conservancy service has assigned workers to open sluice gates, allowing water to flow into the Nhue River's farmland water conservancy system for irrigating ricefields. During the cold days, cooperative members moved to ricefields a larger amount of stable manure than in the previous crop season. The districts and production establishments have postponed unnecessary meetings and are taking advantage of the warm weather to plant 71,000 hectares of 5th-month spring rice in February, an increase of 2,000 hectares over the previous crop season. The districts have also guided production establishments in observing the rice transplanting density.

PARTY ACTIVITIES AND GOVERNMENT

TO HUU SPEAKS AT CULTURE MINISTRY CONFERENCE

OW071650 Hanoi VNA in English 1542 GMT 7 Feb 85

[Text] Hanoi VNA, 7 Feb--The Ministry of Culture held a conference here from February 5-7 to review cultural and information work [as received] in 1984 and discuss its tasks this year. The conference was addressed by To Huu, Political Bureau member of the Communist Party Central Committee and vice chairman of the Council of Ministers; and Hoang Tung, secretary of the Party Central Committee.

In his report, Culture Minister Nguyen Van Hieu noted among other things that in 1984 cultural work was well aimed at improving the working people's cultural life, and especially at serving soldiers, workers and minority nationals in border and other mountain areas. Vice Chairman To Huu praised the cultural branch for its achievements last year and gave some suggestions for its work in 1985. All cultural activities, he said, must be focused on serving the implementation of the two strategic tasks charted by the party namely, national construction and defence.

On this occasion the Cultural Ministry presented the government's [?honorary] banner to the Culture and Information Service of Ho Chi Minh City and the Vietnam feature film studio and the ministry's Emulation Banner to ten other units.

CSO: 4200/534

PARTY ACTIVITIES AND GOVERNMENT

BRIEFS

MILITARY UNITS COMMENDED--The Chairman of the Council of Ministers recently signed a decision awarding 1984 traveling banners to 14 units for scoring outstanding achievements in the determined-to-win emulation movement to satisfactorily achieve the 5 objectives of the major campaign to develop the fine nature and enhance the combat strength of the people's armed forces, launched by the party Central Committee Secretariat, commendatory certificates to 4 units for recording good achievements, and a commendatory letter to a unit for making progress in some aspects. The 14 units receiving traveling banners include: Military Region I, Military Region III, Military Region V, the Huong Giang Corps, Medical Academy, the Politico-Military Academy, the Army Officers School, I, Factory Z-153 of the Technical General Departments, Enterprise X-26 of the Rear Services General Department, Military Hospital 108 of the Rear Services General Department, and the Ho Chi Minh Mausoleum Guard. The four units receiving commendatory certificates include: Military Region IV, the Navy, the Engineering Branch, and Army Officers School II. A commendatory letter has been awarded to Army Corps 2. [Text] [Hanoi Domestic Service in Vietnamese 1100 GMT 14 Feb 85 OW]

CSO: 4209/237

ECONOMIC PLANNING, TRADE AND FINANCE

PROVINCES INTENSIFY MARKET CONTROL ACTIVITIES

BK131640 Hanoi Domestic Service in Vietnamese 1430 GMT 11 Feb 85

[Text] Since the beginning of the 3d quarter of 1984, the southern provinces, municipalities, and the special zone from Quang Nam-Danang down have made efforts to simultaneously carry out the three tasks of strengthening socialist industry and trade, especially socialist trade; transforming private industry and trade; and tightening market management to curb speculation, smuggling, and the illegal trade in some items of goods under state monopoly. With business order initially restored on the socialist market, the socialist trade sector has controlled the market in the entire southern region and stabilized the prices of a number of essential commodities. This success has had a positive impact on production and life as well as on the political, economic, and social situation in the entire region.

Thanks to their firm grasp of party and state policies, many localities, especially Ho Chi Minh City, have transformed the production relations while reorganizing production in a number of important branches. Socialist trade organizations, including those under central or local management, have been consolidated and reinforced with more workers and material means for business operations; and their business methods and services have been further improved. For the home trade sector alone, a total of 20,000 new personnel have been added to its workforce. Many provinces have sent qualified cadres to reinforce the trade sector. The provinces of Hua Giang, Quang Nam-Danang, Tien Giang, Ben Tre, An Giang, and Dac Lac, and the Vung Tau-Con Dao special zone have set up a sizable network of trading and service stores at the hamlet level to provide better services to consumers.

CSO: 4209/233

AGRICULTURE

OWNERSHIP, POLICIES BLAMED FOR DROP IN CASSAVA PRODUCTION

Hanoi TAP CHI THONG KE in Vietnamese Nov 84 pp 24-26

[Article by Vu Duy Quang, chief of the Tay Ninh City Office of Statistics:
"What Is Behind the Uneven Development of Cassava Production in Tay Ninh?"]

[Text] I. Results:

The realities of our country, as well as many other countries of the world, confirm the many very large economic benefits of cassava. It is not only a source of grain for humans and feed for livestock, but also a very important source of raw materials for industry. Therefore, the development of subsidiary food crop production in general and cassava production in particular is the common approach being taken by the entire country to resolve the grain problem and establish a solid raw material base for industry.

Because of its many favorable natural conditions, cassava accounts for anywhere from 10 to 20 percent of the total amount of area under the cultivation of grain each year in Tay Ninh. Therefore, the resolution of the 3rd Tay Ninh Provincial Party Organization Congress called cassava one of the province's five main crops.

However, in recent years, serious declines have been recorded in all areas of Tay Ninh's cassava production, thereby having a considerable effect upon efforts to stabilize grain output and supply raw materials to the food products industry and for exportation.

To give a clearer, more detailed picture of how serious this decline has been, we have compiled data for a number of years on the development of cassava production in Tay Ninh in the following two charts:

Chart 1

Index	1979	1980	1981	1982
Amount of area under cultivation (hectares)	27,305	23,893	13,322	11,229
Yields (quintals)	75.22	70.8	69.4	73.75
Cassava output (tons)	205,410	169,364	92,538	82,823

Chart 2 The Rate of Development of Cassava Production in Tay Ninh in Terms of the Amount of Area Under Cultivation, Yield and Output:

Index	Percent of 1979			Percent of Previous Year		
	1980	1981	1982	1980/1979	1981/1980	1982/1981
Amount of area under cultivation	87.5	48.7	41.1	87.5	55.7	84.2
Yield	94.1	92.2	97.7	94.1	98.0	106.2
Output	82.6	45.0	40.4	82.6	54.7	89.5

The data presented in the above two charts show that it is the continuous deterioration of the situation that makes this issue a serious one. Compared to 1979, the amount of area under cultivation declined by 16,676 hectares in 1982 (a decline that equalled 58.9 percent of the amount of area under cultivation in 1979 and 143.2 percent of the amount under cultivation in 1982), yield dropped by nearly 1.5 quintals per hectare and, as a result, output in 1982 dropped by 122,587 tons compared to 1979. In paddy equivalent, the drop in output equated to 40,802 tons, the equivalent of nearly 80 percent of the output of the province's two rice crops (summer and winter-spring) in 1982.

II. Causes

Why has cassava output in Tay Ninh declined? This is a question that must be answered from the standpoint of quality as well as quantity. Ordinarily, crop output is directly influenced by two factors: the amount of area under cultivation and yield. For the specific figures on these two factors in Tay Ninh Province, see chart 3:

Chart 3 An Analysis of the Factors Influencing Cassava Output

	1980/1979	1981/1980	1982/1981	1982/1979
Increase(+)or decrease(-)in output (tons)	-36,046	-76,286	-9,715	-122,587
Due to: Increase or decrease in the amount of area under cultivation				
--absolute	-25,486	-75,387	-14,599	-118,560
--relative	+70.8	+98.8	+150.3	+96.7
Increase or decrease in yield				
--absolute	-10,560	-799	+4,884	-4,087
--relative	+29.2	+1.2	-50.3	+3.3

The figures presented above permit us to conclude that the decline of cassava output in Tay Ninh has mainly been the result of a decline in the amount of area under cultivation. Specifically, the decline in the amount of area under cultivation has caused output to decline by 70.8 to 150.3 percent and the continuous decline in the amount of area under cultivation has been accompanied by irregular, unstable and generally declining yields (the yield in 1981 was roughly 6 quintals per hectare lower than in 1979 and even 4.5 quintals per hectare lower than in 1982), thus making the decline even larger.

Here, two other questions arise: why has the amount of area under the cultivation of cassava declined in Tay Ninh and why have cassava yields been unstable. On the basis of statistical data and through a comprehensive analysis of the situation, we have found a number of answers:

1. The new production relations have not been established.

As of 1982, the majority of the cassava being raised in Tay Ninh was being raised by private farmers, who accounted for 98.54 percent of the total amount of area under the cultivation of cassava within the province. The socialist segments of the economy, including the state agencies that had planted cassava to produce some additional food for themselves, accounted for only a very small percentage, 1.46 percent. In our opinion, this has been one of the main factors influencing the implementation of the plan on the amount of area under the cultivation of cassava over the years. Because, as long as private production accounts for the major portion of production, many difficulties are encountered when it comes to guiding economic activities in accordance with an integrated plan.

2. Plans have not been properly formulated and their implementation has not been closely guided.

There has not been one year since 1979 in which Tay Ninh has met its plan target on the amount of area under the cultivation of cassava. On the average, only 50 percent of this target has been achieved. Does not this level of performance indicate that the province's plan targets have been unrealistically high? There are some who maintain that because the implementation of plans has not been closely supervised, farmers have automatically shifted some land from cassava to the cultivation of other crops that yield higher economic returns. This can be seen by comparing the amount of area under the cultivation of cassava to the amount of area under the cultivation of other crops over the years (see chart 4).

Chart 4 Amount of Area Under Cultivation in Tay Ninh

Unit of Measure: hectare

<u>Index</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Cassava	23,893	13,322	11,229
Rice throughout the year	10,596	91,580	96,921
Subsidiary food crops (except cassava)	5,961	2,375	2,141
Annual industrial crops	19,993	25,009	23,954

The above chart shows that in the 2 years 1981 and 1982, the amount of area under the cultivation of rice and subsidiary food crops declined significantly compared to 1980. Here, it must be pointed out that the land zoned for the production of cassava cannot be used to raise rice or other crops. Therefore, no land has been shifted from cassava production to the production of a grain crop. As regards the amount of area under the cultivation of annual industrial crops, production increased slightly between 1980 and 1982 but declined by 1,055 hectares in 1982 compared to 1981. Generally speaking, the percentage of increase or decrease in the amount of area under the cultivation of annual industrial crops over the years has been insignificant compared to

the very steep decline in the amount of area under the cultivation of cassava. Therefore, land is not being shifted from cassava production to the cultivation of annual industrial crops either. This analysis proves that the decline in cassava cultivation has not been the result of deciding to raise other crops nor has it been the result of requirements set forth in the plan. Because, there are still 21,000 hectares of land in Tay Ninh that are suited to subsidiary food crops and annual industrial crops but are not being utilized. This fact confirms that the decline in the amount of area under the cultivation of cassava has mainly been due to the failure to closely supervise the implementation of plans.

3. There is still much that is unreasonable about the procurement policy and the supplying of technical materials for use in the cultivation of cassava.

Among the measures designed to increase the amount of area under the cultivation of cassava, in particular, and crops, in general, the procurement policy and the supplying of agricultural materials play the decisive role. However, there is still much that is unreasonable in this regard in Tay Ninh Province. Facts have shown that the procurement prices paid for fresh cassava tubers are unreasonable, that is, are not on a par with rice and corn prices. In 1982, the price paid for 1 kilogram of fresh cassava was raised from 1 dong to 1.2 dong but the price being paid for 1 kilogram of paddy was 6 dong (3 kilograms of fresh cassava are the equivalent of 1 kilogram of paddy). The cassava procurement prices paid at processing plants are not the uniform prices set by the state. Moreover, when cassava is procured, payment is generally not made immediately and is sometimes not made for up to 2 to 3 months. These factors have combined to make farmers less than enthusiastic about raising cassava (abandoning cassava already planted) and have even caused persons to neglect to harvest cassava. The amount of cassava left unharvested each year has increased as the inefficiencies in the procurement and processing of cassava have mounted. This is most clearly seen in the very uneven distribution of cassava processing plants among the various districts and the lack of coordination between the amount of area under the cultivation of cassava and processing capacity. As regards the supplying of materials, the province has adopted supply quotas and a farming schedule; in actuality, however, the materials supplied by the province mainly consist of fertilizer, which is supplied in insufficient quantities, supplied late and is not formulated as specified. This has not only affected yields, but has actually caused the amount of area under cultivation to decline as well. From the above analyses and the statistics that have been presented, we can easily see the basic reasons for the decline in all areas of cassava production.

In view of the situation described above, the following steps must be taken in order to develop Tay Ninh's cassava production in a rapid and steady manner:

--Production relations must be quickly transformed within agricultural production and the cassava processing plants. On this basis, specialized, high yield cassava growing areas must be planned for each district. While formulating reliable plans for the planting of cassava, full importance must be attached to organizing and guiding the implementation of these plans in the most resolute, thorough and effective manner possible.

--It is necessary to adopt and implement policies governing cassava (such as prices, procurement, processing and so forth) that provide incentive for cassava growers.

--It is necessary to research and correctly implement technical regulations governing everything from planting to the harvesting and processing of cassava (including the supplying of materials). Only on the basis of successfully taking the steps outlined above is it possible for cassava production in Tay Ninh to develop in a steady and stable manner.

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